



Funded by the
European Union

Final Evaluation of EU Contribution to Agriculture and Rural Development in Nepal (CARD)

EuropeAid/138778/DH/SER/Multi - Lot 5 – Budget Support

SIEA-2018-13627

Final Report

Client: Delegation of the European Union to Nepal

ECORYS Consortium

Implemented by: Ecorys Nederland BV

Team of experts: Samvel MARKOSYAN (team leader)

Ram Chandra KHANAL

Rotterdam, 06 June 2023



Final Evaluation of EU Contribution to Agriculture and Rural Development in Nepal (CARD)

Client: Delegation of the European Union to Nepal

Martin van der Linde
Project Director Framework Contract SIEA lot 5

Rotterdam, 06 June 2023

The contents of this publication is the sole responsibility of Ecorys and can in no way be taken to reflect the views of the European Union

Table of contents

| | |
|--|----|
| Abbreviations | 7 |
| Executive Summary | 9 |
| Contextual background of the intervention | 9 |
| Evaluation purpose | 9 |
| Methodological approach | 10 |
| Conclusions and lessons learnt | 10 |
| Recommendations | 12 |
| 1 Introduction | 15 |
| 1.1 Intervention background | 15 |
| 1.1.1 Country and sector policy context | 15 |
| 1.1.2 Intervention design of EU CARD | 16 |
| 1.1.3 Financial performance of the CARD intervention | 18 |
| 1.2 Evaluation objective and scope | 19 |
| 1.3 Evaluation approach and limitations | 20 |
| 2 Findings | 23 |
| 2.1 Relevance | 23 |
| 2.1.1 Relevance of the programme design | 23 |
| 2.1.2 Relevance to emerging environment | 25 |
| 2.2 Efficiency | 26 |
| 2.2.1 Inputs | 26 |
| 2.2.2 Determining factors | 27 |
| 2.2.3 Policy dialogue and complementary support | 30 |
| 2.3 Effectiveness | 31 |
| 2.3.1 Agriculture sector budget/allocations | 31 |
| 2.3.2 Sector policy and institutional effects | 33 |
| 2.3.3 Monitoring performance in the agriculture sector | 33 |
| 2.3.4 Local governance of the agriculture sector | 34 |
| 2.4 Impact | 37 |
| 2.4.1 Development outcomes | 37 |
| 2.4.2 Explanatory factors | 38 |
| 2.5 EU Added Value | 40 |
| 2.6 Coherence | 40 |
| 2.6.1 Complementarity and coordination with other Development Partners | 40 |
| 2.6.2 Coherence with EU sector policies | 41 |
| 2.7 Cross-cutting issues and CSOs involvement | 41 |
| 3 Overall assessment | 43 |
| 4 Conclusions and recommendations | 45 |
| 4.1 Conclusions | 45 |
| 4.2 Lessons learnt | 48 |
| 4.3 Recommendations | 49 |

| | |
|--|-----|
| Annexes | 53 |
| A1. Terms of Reference of the evaluation | 55 |
| A2. The evaluation team | 57 |
| A3. Evaluation methodology | 59 |
| Evaluation design | 59 |
| Evaluation questions | 59 |
| Evaluation matrix | 60 |
| Evaluation approach | 61 |
| Evaluation tools | 61 |
| Evaluation process | 64 |
| A4. Evaluation Matrix | 65 |
| A5: Reconstructed Intervention Logic | 79 |
| A6. Budget analysis | 83 |
| A7. List of persons/organisations consulted | 84 |
| A8. Literature and documentation consulted | 87 |
| A9. Answer to the Evaluation Questions, judgement criteria and indicators | 89 |
| A10. EU CARD BS details and performance indicators | 136 |
| A11. EU CARD TCF Logical Framework – performance indicators and achieved values | 137 |
| Tables | |
| Table 1: Status update against the assumptions underlying the theory of change. | 28 |
| Table 2: Evaluation questions and DAC criteria | 60 |
| Table 3: The selected sites for field visits to municipalities | 63 |
| Table 4: Aggregate Agriculture Sector Budget Allocation and Expenditure, FY 2020/21, in million NPR | 83 |
| Table 5: Agriculture Sector Budget Allocation & Expenditure - Federal Level, FY 2020/21, in million NPR | 83 |
| Table 6: MoALD Budget (2020-23), in million NPR and percentage change | 83 |
| Table 7: The EU CARD BS performance indicators (planned and disbursed amounts in EUR millions and percentage performance). | 136 |
| Table 8: The EU CARD BS as designed and adjusted to respond COVID pandemic. | 136 |

Figures

| | |
|--|----|
| Figure 1: EU CARD programme results chain: impact, outcomes and outputs. | 17 |
| Figure 2: The comparison of Budget Support tranche amounts – planned original vs actual disbursed. | 19 |
| Figure 3: Elements of the Comprehensive Evaluation Framework | 21 |
| Figure 4: Links of the BS intervention logic with two steps and evaluation questions. | 22 |
| Figure 5: MoALD Annual Budget (2020-2023) | 32 |
| Figure 6: Links of the BS intervention logic with evaluation questions. | 59 |
| Figure 7: Reconstructed Intervention Logic of the overall CARD programme | 80 |
| Figure 8: EU BS Variable Tranche Indicators (VTIs) | 81 |
| Figure 9: EU TCF/TCF logframe | 82 |

Abbreviations

| | |
|---------|--|
| ADB | Asian Development Bank |
| ADS | Agriculture Development Strategy |
| AEC | Agriculture Enterprise Centre |
| AFU | Agriculture and Forestry University |
| AKC | Agriculture Knowledge Centre |
| ATF | ADS trust fund |
| BS | Budget Support |
| CAESC | Community Agriculture Extension Centre |
| CARD | Contribution to Agriculture and Rural Development |
| CBS | Centre Bureau of Statistics |
| CCDABC | Centre for Crop Development and Agrobiodiversity |
| CEF | Comprehensive Evaluation Framework |
| CEPREAD | Centre for Environmental and Agricultural Policy Research, Extension and Development |
| CNI | Confederation of Nepalese Industries |
| CSO | Civil Society Organisation |
| DAC | Development Assistance Committee |
| DO | Direct Outputs |
| DP | Development Partner |
| DRR | Disaster risk reduction |
| EQ | Evaluation question |
| EU | European Union |
| EUD | Delegation of the European Union |
| EUR | Euro |
| FA | Financing Agreement |
| FAO | Food and Agriculture Organisation |
| FNCCI | Federation of Nepalese Chambers of Commerce & Industry |
| FORWARD | Forum for Rural Welfare and Agriculture Review for Development |
| GDP | Gross Domestic Product |
| GESI | Gender Equality and Social Inclusion |
| GI | Group Interview |
| GIZ | German development agency (Deutsche Gesellschaft für Internationale Zusammenarbeit) |
| GoN | Government of Nepal |
| HR | Human Resource |
| IFAD | International Fund for Agricultural Development |
| INTPA | Directorate-General for International Partnerships of the European Commission |
| IO | Indirect Outputs |
| JC | Judgement Criteria |
| JICA | Japan International Cooperation Agency |
| JSR | Joint Sector Review |
| KE | Key Expert |
| KII | Key informant Interview |

| | |
|---------|---|
| KOICA | Korea International Cooperation Agency |
| LIBIRD | Local Initiative for Biodiversity Research and Development |
| MDAs | ministries, agencies and departments |
| MEL | Monitoring, Evaluation and Learning |
| MoALD | Ministry of Agriculture and Livestock Development |
| MoEWRI | Ministry of Energy, Water Resources and Irrigation |
| MoF | Ministry of Finance |
| MoFAGA | Ministry of Federal Affairs and General Administration |
| MoFE | Ministry of Forest and Environment |
| MoICS | Ministry of Industry, Commerce and Supplies |
| MoLMAC | Ministry of Land Management, Agriculture & Cooperatives |
| MoLMCPA | Ministry of Land Management, Cooperatives and Poverty Alleviation |
| NADSIC | National ADS Implementation Committee |
| NARC | Nepal Agriculture Research Council |
| NBSAP | Nepal Biodiversity Strategy and Action plan |
| NDC | Nationally determined contribution |
| NPC | National Planning Commission |
| NPR | Nepali Rupee |
| PADS | Provincial Agriculture Development Strategy |
| PMAMP | Prime Minister's Agriculture Modernisation Project |
| OECD | Organisation for Economic Co-operation and Development |
| QA | Quality Assurance |
| RM | Rural Municipality |
| SDC | Swiss Agency for Development and Cooperation |
| SDG | Sustainable development goals |
| TA | Technical Assistance |
| TCF | Technical Cooperation Facility |
| TL | Team Leader |
| TOR | Term of Reference |
| TU/IAAS | Tribhuvan University/Institute of Agriculture and Animal Science |
| UN | United Nations |
| USAID | United States Agency for International Development |
| VC | Vice chairperson |
| VNR | Volunteer national review |
| VT | Variable Tranche |
| VTI | Variable Tranche Indicator |
| WB | World Bank |
| WFP | World Food Programme |

Executive Summary

Contextual background of the intervention

The EU "Contribution to Agriculture and Rural Development in Nepal (CARD)" programme was designed to support the Government of Nepal in implementing its Agriculture Development Strategy (ADS, 2015-2035). The programme was also to contribute to better coordinating the efforts of the various stakeholders involved (including several government agencies, private and cooperative sectors and development partners) through an enhanced platform to review ADS progress.

The overall objective of EU CARD support was to contribute to poverty reduction, food and nutrition security, climate resilience, improve the competitiveness of the sector and generate higher and more equitable incomes in rural areas of Nepal. The EU support was aimed to strengthen the Government of Nepal (GoN) efforts towards addressing sustainable and competitive agricultural production for poverty reduction and eradication of hunger and malnutrition, resilient natural resource management and agricultural production system, as well as inclusive and gender-responsive livelihood enhancement.

The CARD intervention started on 28/06/2018 with the signature of the financing agreement and was planned to end on 28/06/2023. It had a budget of EUR 40 million and included budget support of EUR 36 million and complementary support with a total estimated cost of EUR 4 million, including the technical assistance (TA) of EUR 3.75 million, evaluation of EUR 0.15 million and visibility of 0.1 EUR million.

Evaluation purpose

The main objective of this evaluation is to provide the relevant services of the European Union and the interested stakeholders with: 1) an overall independent assessment of the past performance of the EU CARD in Nepal, paying particular attention to its results measured against its expected objectives, and the reasons underpinning such results; and 2) key lessons learned, conclusions and related recommendations to improve current and future Interventions. In particular, this evaluation assessed to what extent, and under which circumstances the budget support and the EU interventions have successfully enhanced the policies, strategies and spending actions of the partner government to achieve sustainable sector level development outcomes and a positive impact on poverty reduction and economic growth.

The scope of this evaluation is the overall CARD intervention. The intervention evaluated included three components: the budget support component; the technical assistance component, and the policy dialogue. The term intervention is used to refer to the overall CARD intervention, otherwise, reference is made to BS intervention, the TA intervention or the policy dialogue. In terms of its scope, the evaluation covered both budget support and TA components of the CARD programme, as well as the policy dialogue. The temporal scope of the evaluation is the entire period of the intervention.

Methodological approach

The evaluation has followed the EU's evaluation principles and methodology. Specifically, the evaluation methodology (Annex 3) was designed in line with the OECD-DAC Budget Support Evaluation guidelines and around the three elements of the Comprehensive Evaluation Framework (CEF):

- **The OECD-DAC Evaluation Framework:** The evaluation assessed the intervention using the five standard DAC evaluation criteria, namely: relevance, coherence, effectiveness, efficiency and perspectives of impact, as well as one EU-specific evaluation criterion - the EU added value and cross-cutting issues and CSOs involvement. The number of evaluation questions (EQs) and sub-questions was limited to 15. The Evaluation Matrix (Annex 4) details the EQs organised around the seven criteria, and for each EQ, Judgment Criteria (JC) and indicators are provided.
- **The levels of the Intervention Logic,** considering inputs, direct outputs, induced outputs, outcomes and impact.
- **A partial three-step analysis:** The evaluation applied a simplified version of the OECD-DAC 3-Step Methodological Approach and focused on steps 1 and 2, and did not undertake step 3 (as requested in TOR).

The phases of the evaluation have been the following: 1) inception, 2) desk, 3) field, and 4) analysis and synthesis. Altogether 67 people (59 male and 7 female) were consulted during the entire evaluation process. Among them, 25 stakeholders were from the federal level, 27 from the subnational (provincial and municipal), and 7 people were from CARD TA. The provinces and municipalities visited were selected considering the agroecological climate, nature and status of agricultural development, East-West representation of the country's geography and availability of the stakeholders. The evaluation team has also used an online survey tool, which was based on the evaluation questions and the evaluation matrix.

Conclusions and lessons learnt

The conclusions of the evaluation are linked to the findings and are presented below.

- C1.** The EU CARD programme has delivered results, which are in line with the expected outcomes and impact, albeit the small amount of the BS funds (financial assistance), the ongoing political/bureaucratic/institutional instability in the country and complexities around the planning and management of the agriculture sector during the federal transition.
- C2.** The EU CARD programme interventions have adequately responded to emerging and changing contexts in the agriculture sector (since the ADS was adopted), in consideration of the federalism transition, and the COVID-19 pandemic, which caused slow and uncertain operation.
- C3.** The EU CARD programme has been strategic in facilitating the rather fragmented sub-sector strategies into a more comprehensive approach through ADS implementation at the national and sub-national levels. However, weak coordination and collaboration mechanisms has been persistent among the Government stakeholders as the Government agencies worked in isolation (with silo approach).
- C4.** The policy dialogue has played an important role - both the operational dialogue through the Technical Cooperation Facility (TCF, also known as the TA project) intervention and the strategic policy dialogue between the EU and the GoN. The policy dialogue has created awareness among the different stakeholders, generated knowledge and influenced policymakers in the development, revision and implementation of ADS, provincial ADS (PADS),

and other policy frameworks. However, the federal and sector-level policy dialogue could have been more instrumental in improving the GoN's understanding of the BS modality and mechanisms to allocate additional funding to address the priorities and resource gap in the agriculture sector.

- C5.** The EU CARD intervention has contributed to some extent to the improvement of M&E systems in the agriculture sectors, but it was limited to the understanding and sensitisation of stakeholders. The data availability issues affected the verification of the variable tranche (VT) indicator performance. The current data gap is a significant issue, which limited the ability of the evaluators to assess the TOC, especially in an evolving and changing context.
- C6.** Weak institutional arrangements and not strong enough GoN ownership affected the TA performance, as well as the governance structure for TA accountability and steering. The efficient and structured steering of both the programme and the TCF by the GoN and other stakeholders was largely lacking. These shortcomings stemmed from the design of the programme, which did not envisage a legitimate steering or overseeing structure (comprising of GoN and concerned DPs), and did not facilitate for both program and TA implementing entities to deliver outputs on time at desired standard.
- C7.** The EU CARD programme has delivered several capacity building interventions at the local level with notable achievements. However, the sustainability of interventions beyond the programme duration has not been secured, including for those key achievements, such as the farmer registration system, PADS, and ADS awareness. Even though the MoALD has reported that farmer registration system has been institutionalised in the government system and approximately one million farmers have been already registered by the time of evaluation, there was no clear plan noted to rapidly scale up the process. Similarly, finalisation and approval of PADS is still not completed. At Federal level, MoALD is going to review and revise the ADS in collaboration with Development Partners. For this, the MoALD has allocated budget for Fiscal Year 2023/024.
- C8.** The EU CARD programme's contribution to strengthening local governance has been achieved through nationwide outreach to all seven provinces and all municipalities. Instead of a broad nationwide approach, going deeper with a more targeted and focussed approach would have added more technical value to meet the demand of the stakeholders – both for policymakers, service delivery entities and beneficiaries - farmer and agriculture organisations. This focus could have covered the areas where the sector is facing knowledge gaps or challenges, e.g., fertiliser subsidies.
- C9.** The EU CARD programme intervention components were delivered in silos, and complementarities could have been stronger between the BS, complementary TCF support, as well as communication and visibility. There was a formal policy dialogue in all seven provinces (including representatives from selected municipalities) and one at Federal level. The dialogue focused on National Agriculture Policy 2004, Nepal Agriculture Extension Strategy 2006, Agriculture and Livestock Insurance system, Subsidy mechanism in chemical fertilizer, Strategic Components of ADS etc. The policy dialogue could not optimally benefit from the TCF. It could have benefitted more from engaging with the MOALD officials identifying areas of pressing policy gaps and helping to mitigate them by advising ways and means, which would enhance credibility of policy dialogue/support.
- C10.** The EU CARD interventions could have considered the slow process of GoN reforms, including the federalisation and the unclear roles and responsibilities of the three tiers of the government related to agriculture and natural resources management.
- C11.** The EU CARD BS programme design could have selected more realistic (and less) indicators that are measurable.

C12. The EU CARD could have gone deeper into the areas that are a priority to farmers and Civil Society Organisations (CSOs), beyond focusing only on training, orientation and sensitisation, such as technology transfers, knowledge transfer, international markets, value chain etc.

Lessons learnt from the EU CARD programme experience are useful, and that knowledge can be used while designing and implementing other EU BS programmes (both in Nepal and beyond).

Lessons learnt regarding the relevance of the EU CARD programme.

L1. When designing a budget support programme, it is important to ensure that the performance indicators chosen in relation to variable tranches are achievable, realistic, and measurable (for which the data is available to easily verify the performance) and are within the competence of the government entity responsible for the action.

L2. Implementing the Budget Support programme is a learning experience, especially in uncertain and evolving contexts (such as the COVID-19 pandemic or Nepal's transition to federalism). Therefore, it is important for the EU interventions to be adaptive to remain relevant when circumstances change. Any changes in the programme should also be reflected in the logframe and respective progress indicators.

Regarding the efficiency of the EU CARD programme.

L3. Government ownership and leadership are quite important and should have been part of the agenda in regular and formal policy dialogue. This is particularly the case in the implementation of such complex and cross-cutting reforms as ADS.

L4. Government and institutional changes, including instability and external factors, affect the operation of budget support programmes and should have been carefully included in the formal policy dialogue (both at strategic and operational levels) to get policymakers' buy-in and commitment to institutional stability for policy credibility.

L5. When an implementing entity is new to budget support (which was the case with MoALD), external support (e.g., from complementary TA) in monitoring and reporting on performance can be useful.

Regarding the effectiveness of the EU CARD programme.

L6. For the BS programme to achieve greater effectiveness, it is desirable to ensure the pace of implementation is aligned with the government reforms implementation and the absorption capacity. This might mean extending the duration of the programmes, having fewer performance indicators and adjusting the TA complementary support to the capacity and willingness of beneficiary stakeholders.

Recommendations

The proposed recommendations can be considered by EUD Nepal in preparing the design of new interventions.

R1. For the EU Budget support programme to better deliver results, the BS indicators should be designed as realistic, smart and with due consideration of a realistic duration, for the government to be able to perform satisfactorily against them. The constraints that affected the impact of the EU CARD should be considered in other BS programmes. This can be through the policy dialogue, DP-government collaboration platforms and other measures. For other EU BS programmes to maximise the EU added value, consideration can be made for the EU having a lead role in joint DP/GoN forums,

or identifying priority areas for EU support through the policy dialogue, where higher value added can be achieved by the EU.

R2. The EU BS programme interventions should adequately respond to emerging and changing contexts. Responsiveness may concern changes in tranches, adjustment of complementary TA, and the log frame, which should be formally shared with concerned stakeholders. For the BS programme to achieve greater effectiveness, it is desirable to ensure the pace of implementation is aligned with the government reforms implementation and the absorption capacity. The policy dialogue should formally facilitate this process regularly (both at strategic/political, as well as technical/operational levels). EU communications and visibility aspects may support this process.

R3. For the efficiency of the EU BS programme interventions, government ownership and leadership should be emphasised and be part of the agenda in regular and formal policy dialogue. A number of factors can be raised, including coordination/collaboration mechanisms; partnerships of government agencies working together (versus in isolation/silo approach); adequate participation of other ministries in the process, accountability and clear responsibilities within the Government - who is accountable for what; the government ownership in sector policy being strong enough; having a clear structure for managing and steering the complementary TA.

For the GoN it is recommended to ensure that adequate ownership and leadership is in place with strong coordination with other government entities, as well as steering of the BS and the complementary TA.

R4. The policy dialogue can be instrumental to help the government to better understand the BS modality and mechanisms to allocate additional funding to address the priorities and resource gap in the concerned sector(s). When an implementing entity is new to budget support, external support (e.g., from complementary TA) in monitoring and reporting on performance can be useful. **The policy dialogue should play an important role** - both the operational dialogue through the TA complementary intervention and the strategic policy dialogue between the EU and the Government.

R5. The data sources, consideration of gaps, government M&E frameworks, and policy monitoring aspects should be taken into due consideration in designing the BS programme, as this can undermine policy credibility and EU BS conditionality and eligibility. In the case of a lack of a reliable M&E system and weak policy monitoring, the complimentary support can be diverted to those areas, as these are critical for policy credibility and BS conditionality. The policy dialogue (at all levels) should formally and regularly raise monitoring and data credibility issues.

For the GoN it is recommended to set-up an M&E framework, system, undertake regular monitoring and prepare implementation reports (at least on an annual basis)

R6. Institutional arrangements, and GoN ownership as well as the governance structure for TA accountability and steering should be resolved at the outset and ahead of BS formalisation. The governance structure for TA accountability and steering should be formally agreed at the outset and ahead of BS formalisation. Steering of the complementary TA intervention by the government and other stakeholders should also be formalised.

For the GoN it is recommended to demonstrate a formal ownership in steering the BS and the complementary TA intervention in coordination with other stakeholders.

R7. The sustainability of BS interventions beyond the programme duration should be secured. This can be done within the country portfolio BS programmes. Further complementarities and CARD continuity can be built by taking lessons learnt and building on the success of EU CARD for other EU portfolio BS programmes in Nepal, including support to nutrition (e.g., for farmers that are engaged in nutritious food production) WASH (e.g., continuity with irrigation related CARD performance indicator for the VT), and local adaption to climate change with climate-smart agriculture intervention. Relevant performance indicators for variable tranches can be designed, e.g., conservation of water, for cattle feeding, controlling the floods for dry season, organic farming and how increased

composting. Stronger visibility and communication for sustainability are required in BS programme implementation.

R8. For the greater effectiveness and impact of the EU BS interventions, consideration is required for going deeper (with specialist support) vs broader (nationwide). Going deeper adds more technical value to meet the demand of the stakeholders – both for policymakers, service delivery entities and beneficiaries. This could cover the areas where the sector and end beneficiaries are facing knowledge gaps or challenges. The sustainable aspects should be considered in this decision, albeit the great results that can be achieved immediately in the short term.

R9. The EU BS programme intervention components should not be delivered in silos and complementarities should be ensured (both during the design phase and implementation) between the BS, complementary TA support, as well as communication and visibility. The Policy dialogue should be formal, structured and frequent. The Government stakeholders' understanding of the sector performance BS modality is important. Visibility and awareness about the TA and BS should be ensured, including among government and DP stakeholders.

For the GoN it is recommended to ensure that they have a good enough understanding of the sector performance BS modality.

R10. The EU BS interventions should consider the pace (and potentially the slow process) of Government reforms implementation and the government capacity (both institutional and HR), as well as absorption capacity. The EU BS programme design would rather select more realistic, and a smaller number of indicators, considering relevant factors, including, the duration of the intervention (especially when it is short), data constraints, and accountability arrangements.

1 Introduction

1.1 Intervention background

1.1.1 Country and sector policy context

The Agriculture Development Strategy (ADS), adopted by the Government of Nepal (GoN) in 2015, is the government's central sector development strategy for agriculture and rural development until 2035. The ADS has five key strategic objectives: 1) food and nutrition security, 2) poverty reduction, 3) higher and more equitable incomes, 4) agricultural trade competitiveness and 5) farmers' rights, elaborated into seven vision components. The cost of implementing the ADS during the first ten years is estimated at a total of NPR 50.2 billion per year, equivalent to about EUR 450 million annually.

The ADS implementation involves a large number of stakeholders both at the national and sub-national levels. The key national ministries and agencies include the Ministry of Agriculture and Livestock Development (MoALD) as lead agency, the Ministry of Energy, Water Resources and Irrigation, the Ministry of Federal Affairs and General Administration (MoFAGA), the Ministry of Forest and Environment (MoFE), the Ministry of Land Management, Cooperatives and Poverty Alleviation (MoLMCPA), as well as the Ministry of Industry, Commerce and Supplies (MoICS) and the Ministry of Finance (MoF). At the sub-national level, after the federalisation process, the provincial and local governments were identified as the main implementing agencies. The National Planning Commission (NPC) has an overall coordinating mandate from the Government and the Nepal Agriculture Research Council (NARC) oversees the research systems, which will provide research services to modernise the sector. Several donors and UN agencies are also supporting the sector, mainly: WB, ADB, IFAD, FAO, USAID, GIZ, SDC, JICA, KOICA, UNDP and the EU. The final beneficiaries of ADS are the farmers and businesses involved in the agriculture upstream and downstream value chains and their organisations as well as the people of Nepal at large.

The EU, through its budget support and technical assistance, has been supporting the Government of Nepal (GoN) with ADS implementation. The aim of the support was to strengthen the GoN efforts towards addressing sustainable and competitive agricultural production for poverty reduction and eradication of hunger and malnutrition, resilient natural resource management and agricultural production system, as well as inclusive and gender-responsive livelihood enhancement. After the promulgation of the new Constitution in 2015, the role and responsibility of managing natural and agricultural resources were partly handed over to the provincial and local levels. This institutional transition offers a significant opportunity to equip these new custodians at different layers with the capacities, policies and plans needed to support the scaling up of sustainable forest and agricultural management systems in the changed context. In the last couple of years, the government also prepared legal and policy frameworks such as the Food and Food Sovereignty Act, Multi-Sector Nutrition Plan II (2018-2022), Zero Hunger Challenge National Plan of Action (2016-2025), the Fifteenth National Development Plan (2019-2024), National Climate Change Policy (2019) and National Determined Contribution (NDC 2020).

Despite some positive changes at the policy level, there has been a mixed result in the implementation of ADS and improvement in agriculture sector productivity (NPC, 2021¹). There has been low productivity, food self-sufficiency was decreasing, and the contribution of the agriculture sector to GDP is decreasing over the years. Some of the other challenges include:

¹ National Planning Commission (NPC), 2021. Nepal's Food systems Transformation: Context, Pathways and Actions. Outcomes of the National and Provincial Food Systems Dialogues as a part of the UN Food Systems Summit 2021. Link.

inadequate clarity on the roles and responsibilities of the three tiers of the government and a slow process of federalisation. As a result, there have been overlapping functions, weak coordination, inadequate human resource management, and weak extension service delivery. In addition, weak coordination among the sector ministries, inadequate availability of quality input, increasing climate risks, weak private sector engagement and inadequate market services for the producers, among others, posed systematic challenges in transforming the agriculture sector as envisioned by the ADS.

For strengthening the implementation of the ADS, the EU TCF indicated that there was a need to improve overall governance systems, accountability, and coordination (within and outside the government), making a better enabling environment, improve the capacity of local government, planning and monitoring (including database) systems and better management of human resources. These challenges have been further aggravated due by COVID-19 and the aftermath of the economic slowdown. The EU CARD programme (both BS and the TA) was trying to address some of these challenges. The EU CARD TA support included improving guidelines for planning and M&E, capacity building to local government, support in making provincial ADS, and support to province level database and policies, among others.

1.1.2 Intervention design of EU CARD

Objective and scope

The overall objective of EU Contribution to Agriculture and Rural Development (CARD) support was to contribute to poverty reduction, to food and nutrition security, to climate resilience, to improve the competitiveness of the sector and to generate higher and more equitable incomes in rural areas of Nepal. The specific objectives of EU CARD are presented in Figure 1 below as: 1) Improved Governance in the sector, in particular with regard to coordination, planning, Gender Equality and Social Inclusion (GESI) and Food Security; 2) Higher sustainable productivity; 3) Increased and profitable commercialisation of agricultural products; and 4) Increased competitiveness. The expected results of EU CARD are along these 4 results areas (see Figure 1 below and the reconstructed intervention logic in Annex 5).

The EU CARD programme was designed to support the Government of Nepal in implementing its Agriculture Development Strategy 2015-2035 (ADS). The programme was also intended to contribute to better coordinate the efforts of the various stakeholders involved (several government agencies, private and cooperative sectors and development partners) through an enhanced platform to review ADS progress. The results chain of EU CARD programme is presented in the below diagram.

The CARD was designed to provide budgetary support to the Government of Nepal through financial support, policy dialogue and capacity building measures in supporting the implementation of the ADS. The CARD intervention started on 28/06/2018 with the signature of the financing agreement and is planned to end on 28/06/2023. It has a budget of EUR 40 million and includes: budget support with EUR 36 million and a complementary support component with a total estimated cost of EUR 4 million, including the technical assistance (TA) of EUR 3.75 million², evaluation of EUR 0.15 million and visibility of 0.1 EUR million.

² The budget in Action Document and in Financing Agreement was estimated at 3.75 million Euro. However, the TA contract itself was signed for 3.352 million Euro.

Figure 1: EU CARD programme results chain: impact, outcomes and outputs.



Budget Support

The budget support operation was designed taking into consideration lessons learnt from the experience of EU budget support to the education sector in Nepal, which supported the policy dialogue, encouraged better planning and transparent reporting and resulted in improved service delivery. The key success factors of the education budget support programme were: the availability of sufficient resources, and improved coordination and implementation capacity. These factors were integrated into the intervention logic (Annex 5).

The BS component (EUR 36 million) was designed in the form of three fixed and variable tranches to be disbursed in Q2 of 2019, 2020 and 2021. In response to COVID-19, the last variable tranche, as well as the unpaid part of first 2 variable tranches, were transformed into a fixed tranche³. The disbursement request for the last tranche (2021) was incomplete and could not be approved until recently (April 2023). A one-year extension of the period of implementation of the Financing Agreement (FA) was approved in June 2022.

Complementary measures

In addition to the budget support, one service contract - a Technical Cooperation Facility to the ADS (EU TCF, TCF or also known as TA) was established, with a mix of long-term TA, short-term expertise on demand and resources for training, workshops, surveys and other capacity building measures. The TCF was part of the EU CARD programme and was part of the complementary technical assistance support component. DT Global has been contracted as Implementing Partner of the TCF/TA component. The TCF started operation in April 2019 for a three-year duration. As a result of additional TA requests, the TA component was extended by 3 months, until the end of June 2022.

The TCF was designed to closely work with the ADS Implementation Support Unit (ADSISU) within the MoALD. The main tasks of the TC facility was to include: a) support the roll-out of ADS, in particular including the reinforcement of ADSISU, and support to the reforms and implementation mechanisms foreseen in ADS, as well as including support to coordination with other ministries and stakeholders, and facilitating policy dialogue; b) support capacity development in the ministries or other implementation agencies involved in ADS implementation and to NPC for its coordinating role;

³ As per a global decision from the EU HQ to all the Budget Support programmes in the world, as part of the Team Europe support to the COVID response in partner countries

c) reinforce the monitoring and evaluation framework for ADS in the Ministry of Agriculture, Land Management and Cooperatives; d) strengthening of PFM in the sector, including at Provincial (when established) and local levels, also aiming at reinforcing audit recommendations follow up in the sector; e) offer a flexible research and short term expertise facility to support ADS, in particular with regards to emerging needs related to the federalisation; and f) support in thematic areas like GESI mechanisms, extension services, greater nutrition sensitivity, resilience, Disaster risk reduction (DRR).

Policy dialogue

In line with the Financing Agreement (FA), The GoN and the EU committed to engaging in a regular constructive dialogue at the appropriate level on the implementation of the FA. The sector policy dialogue between MoALD and all involved development partners was envisaged to take place in the Joint Sector Review (JSR). According to the FA, the JSR was expected to meet twice a year while its technical committee - 6 times a year. However, the JSR meets once a year while its technical committees meet approximately 4 times a year based on the needs.

Other related EU-funded support

The CARD complements other EU projects in the country, notably EU support on nutrition, vocational training and trade and is coordinated with other stakeholders including development partners. There is also EU support for fiscal federalism, to which EU CARD was closely aligned, as it was supporting the federalisation process in Nepal. With the adoption of federal systems, there has been separation and redistribution of roles and responsibilities among the three tiers of the government (federal, provincial and local governments). The Local Government Operation Act (2017) provided some specific roles of agriculture development to the subnational government, although their institutional capacity is considered low. In this context, the government has also worked on developing provincial ADS (PADS), changing the institutional structure and developing agriculture policies in line with the federal structure. The EU support was instrumental in the process of ADS localisation in Nepal by supporting the agriculture planning process, M&E systems and data base development and developing policies, among others.

1.1.3 Financial performance of the CARD intervention

Financial performance of the CARD BS intervention

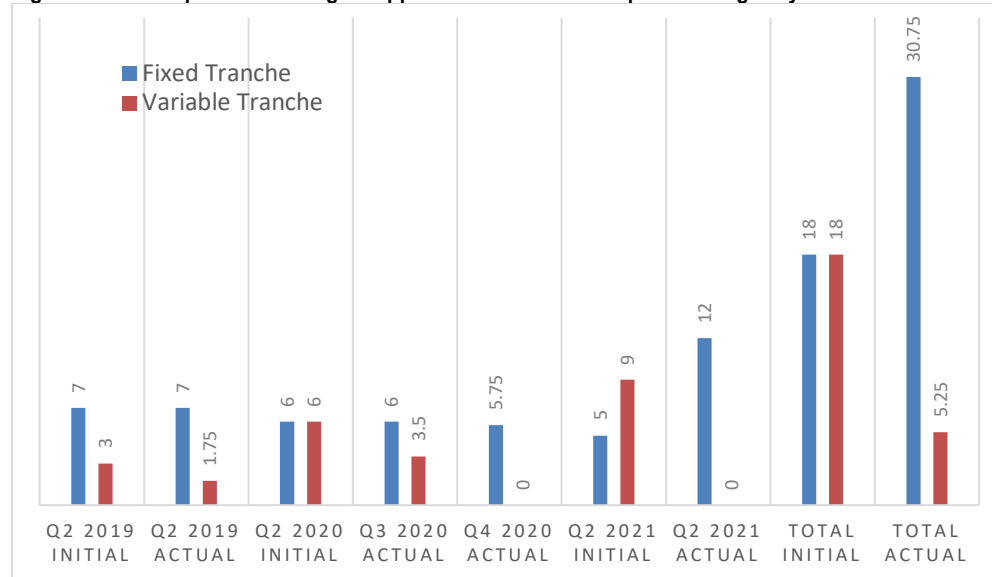
The amount allocated for budget support was EUR 36,000,000, and for complementary support was EUR 4,000,000. The amount allocated for budget support represented 2.7% of the ADS' budget.

Initially, EUR 0.5 million was allocated for each of the 6 variable tranche (VT) indicators in Year 1 (2019) and EUR 1 in Year 2 (2020). The VT disbursement rate was 58% both for Q2 2019 (1,750,000/3,000,000) and in Q3 2020 (3,500,000/6,000,000), which was 29% for the entire planned amount (5,250,000/ 18,000,000). In year 1 (2019) of the six variable tranche indicators targets, two were not met (stunting and percentage of land owned by women) and one was only partially met (irrigation expansion). In year 2 (2020) of the six variable tranche indicators targets, two were not met (irrigation expansion and deployment of agricultural technicians at the local level) and one was only partially met (reforms in the areas of land management and agribusiness). This has resulted in a reduction of the payment by a) EUR 1,250,000 (EUR 1,750,000 paid instead of the planned EUR 3,000,000) in Year 1 and b) EUR 2,500,000 (EUR 3,500,000 paid instead of the planned EUR 6,000,000) in Year 2.

As part of EU's response to the COVID-19 pandemic, an addendum was countersigned on 16 October 2020, converting unpaid and future variable tranches to fixed tranches, as well as the timing was extended of the last two fixed tranches. Only EUR 5,250,000 has been paid as VT from the initially planned 18,000,000. The comparison of planned original vs actual disbursed is presented in the below figure with further details in Annex 11.

There was a significant delay in the disbursement of the last tranche, which was due to policy credibility (one of the general conditions), and specifically linked to concerns in ADS monitoring. The EUD (as part of the policy dialogue) has emphasised that it is necessary to conduct a comprehensive monitoring exercise and to present a robust monitoring report in order to assess the credibility of the ADS implementation, i.e., what was achieved after five years of implementation compared to the initial targets set in the ADS.

Figure 2: The comparison of Budget Support tranche amounts – planned originally vs actual disbursed.



Financial performance of the CARD TA intervention

The final value of the service contract was 3,652,500 EUR and the total implemented amount invoiced by DT Global and paid by the EU was 3,633,552.49 EUR. The project budget was originally 3,352,500 EUR and was increased by 300,000 EUR under Addendum N°3. This provided additional resources for the specific inclusion of the Gender Sector Analysis activities and an extension of the service contract implementation period by 2 months and 28 days to the 28th of June 2022. From the total contract value, and following Administrative Order N°27, a total reimbursable budget of 497,800 EUR was available under the project, of which a total of 488,518.10 EUR was utilised.

With regard to the Key Experts, a combined total of 1,423 days were allocated for KE1 and KE2 positions and were fully utilised. 7 State Support NKE positions provided for 4,471.5 working days of which 4,465 were utilised. For Senior and Junior Non-Key experts, 1,290 working days were allocated, and 1,288 days were utilised.

1.2 Evaluation objective and scope

The main objective of this evaluation is to provide the relevant services of the European Union

and the interested stakeholders with: 1) an overall independent assessment of the past performance of the EU CARD in Nepal, paying particular attention to its results measured against its expected objectives; and the reasons underpinning such results; and 2) key lessons learned, conclusions and related recommendations in order to improve current and future Interventions.

In particular, this evaluation will serve to assess to what extent and under which circumstances budget support has successfully enhanced the policies, strategies and spending actions of the partner government so as to achieve sustainable sector level development outcomes and a positive impact on poverty reduction and economic growth.

The scope of this evaluation was the overall CARD intervention. The intervention that was evaluated included three components: a budget support component; a technical assistance component, and the policy dialogue. The term intervention is used to refer to the overall CARD intervention, otherwise, reference is made to BS intervention, the TA intervention, or the policy dialogue i.e., the budget support component of EUR 36 million, and the TA component of EUR 3.352 million⁴, and the policy dialogue) implemented at federal and subnational levels, including in all 7 provinces of Nepal. The temporal scope of the evaluation is the entire period of the intervention. The main users of this evaluation will be the Ministry of Agriculture and Livestock Development and the European Union Delegation to Nepal. Other key stakeholders from the government (Ministry of Finance and NPC) and the development partners (main donors in the sectors) will also benefit from this evaluation.

One of the key challenges in ADS implementation is related to the formal linkages and coordination between the three tiers of the government (including within/between the sectoral ministries at the federal level and other tiers). This is key so that they could effectively contribute to the key strategic objectives of the ADS, i.e., poverty reduction, food and nutrition security, climate resilience, improving the competitiveness of the sector and generating higher and more equitable incomes in rural areas of Nepal. In this context, it was critical for the evaluation to understand how the linkages work in practice and to identify what were the important measures or mechanisms that helped or could have helped to improve the linkages within and across the three tiers of the government and sectoral ministries.

1.3 Evaluation approach and limitations

Evaluation approach and methodology: The evaluation has followed the EU's evaluation principles and methodology as set out in the Terms of Reference (TOR) in Annex 1. Specifically, the evaluation methodology (Annex 3) was designed in line with the OECD-DAC Budget Support Evaluation guidelines⁵ and around the three elements of the Comprehensive Evaluation Framework (CEF) as presented in Figure 3 overleaf.

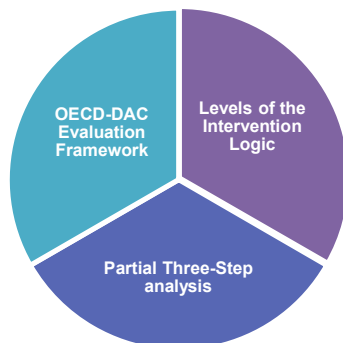
The OECD-DAC Evaluation Framework: The evaluation assessed the intervention using the five standard DAC evaluation criteria, namely: relevance, coherence, effectiveness, efficiency and perspectives of impact. In addition, the evaluation assessed one EU specific evaluation criterion, which was 'The EU added value' - the extent to which the intervention brings additional benefits to what would have resulted from Member States' interventions only, as well as cross-cutting issues and CSOs involvement. The mapping of EQs with the DAC criteria and 2 additional evaluation criteria is presented in Table 2 in Annex 3. The number of EQs and sub-questions was limited to 15. The full evaluation matrix is provided in Annex 4. The matrix was carefully prepared and reviewed to

⁴ The contracted value of the TA intervention slightly deviates from the available budget.

⁵ OECD-DAC (2012) Evaluating Budget Support: Methodological Approach

ensure that the basis for evaluation was well defined in advance. The main purpose was to ensure that the specific criteria questions and measurement indicators for evaluation and reasoned judgements about results and performance are as explicit and consistent as possible. The Evaluation Matrix details the EQs organised around the seven criteria, and for each EQ, Judgment Criteria (JC) and indicators are provided.

Figure 3: Elements of the Comprehensive Evaluation Framework



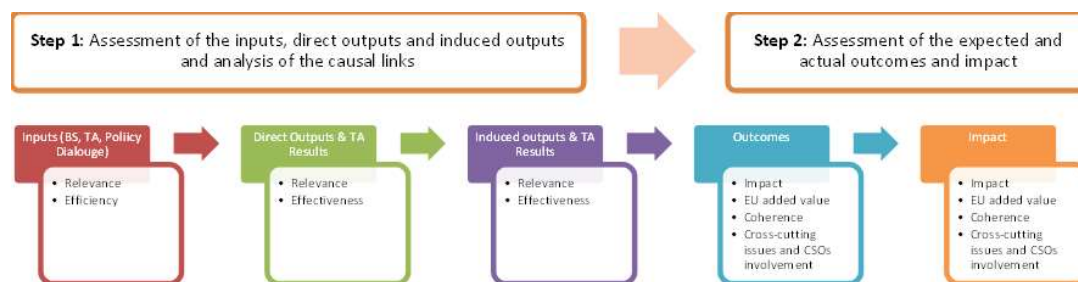
The levels of the Intervention Logic: As the object of this evaluation is the EU CARD programme, the assessment followed the structure of a budget support Intervention Logic (IL), considering the following levels: inputs, direct outputs, induced outputs, outcomes and impact. Relevant EQs are related to the levels of the IL that it refers to, as well as to its corresponding DAC evaluation criteria (see Figure 4). The programme’s causal logic, expressed through the results chain, is defined in the revised **EU CARD Intervention Logic** (please refer to Annex 5: Updated Intervention Logic) that has been produced by the team.

A partial three-step analysis: The evaluation applied a simplified version of the OECD-DAC 3-Step Methodological Approach⁶ as requested in TOR. This was because Budget Support evaluations at programme level (as opposed to strategic evaluations) follow a simplified version of the Methodological Approach used for strategic evaluations as the focus is more on the programme’s process and the results (outputs and outcomes) of the partner country’s policies than on the impact for final beneficiaries. Therefore, this evaluation did not use the full OECD methodology for strategic evaluations and focused on steps 1 and 2, and did not undertake step 3. Step 1 was applied to provide an assessment of the inputs, direct outputs and induced outputs of the Budget Support and an analysis of the causal links between these three levels. Part of Step 2 was followed to assess the expected outcomes and impact at the policy level, as promoted by the budget support. The evaluation also considered the changed context, such as governance structure and agreed to ADS assumptions.

The phases of the evaluation have been the following: 1) Inception: Launching the evaluation exercise and preparation of the Inception Report; 2) Desk and Field Phase: Including the presentation of key findings of the Desk phase, followed by interviews CARD stakeholders and primary data collection, and presentation of key preliminary findings, combining desk and field ones; and 3) Analysis and Synthesis, leading to a Draft and Final Reports, together with an Executive Summary.

⁶ [OECD.org – Evaluating Budget Support Methodological Approach](https://www.oecd.org/eu/evaluating-budget-support-methodological-approach/)

Figure 4: Links of the BS intervention logic with two steps and evaluation questions.



Altogether 67 people (59 male and 7 female) were consulted during the entire evaluation process i.e., Key Informant Interviews (KII) with 23 people and 6 group interviews (GI) with 43 people (details in Annex 7). Among them, 25 stakeholders were from the federal level, 27 from the provincial/municipal levels and 7 people were from the CARD TA. The provinces and municipalities were selected considering the agroecological climate, nature and status of agricultural development, East-West representation and availability of the stakeholders. Based on these criteria, Koshi Province and Karnali Province were selected and visited from 13-14 March and 20-21 March 2023 respectively. Various stakeholders and institutions were met during the visits. The evaluation team has also used an online survey tool based on the evaluation questions and evaluation matrix targeted at key informants (KIIs) to complement interviews and to collect additional data to cover the data gaps. In total 14 online responses were received (response rate 50%), which helped to get additional information related to the intervention, and to triangulate the information available from other sources.

Challenges and limitations. The team faced some challenges and difficulties during the evaluation, but they were mitigated by adopting various remedial actions. Challenges encountered were related to the following: limited awareness and visibility of EU CARD; limited availability of relevant stakeholders, including GoN (at FG, PG and LG levels), TA team members, and development partners representatives; limited information available, due to lack of M&E data; limited and generic information received from the stakeholders about the intervention and sometimes conflicting information; and difficult to segregate the contribute of the intervention. However, these limitations didn't impact the evaluation and the findings, due to the mitigation measures applied. The evaluation team worked around these limitations to the best of its ability to minimise the impact on the evaluation. Part of these limitations, such as the low awareness and weak M&E are also considered findings in itself.

The mitigation measures adopted to address challenges and difficulties during the evaluation were as follows. The interview questions were formulated in a way to help the stakeholders make associations with the intervention. The questions were formulated along the TA results areas and deliverables (e.g., farmers registration software, ADS orientation trainings, PADS), as well as around ADS pillars and EU BS VT indicators. Planning of stakeholders' consultation was arranged ahead of the field mission and field visits, considering availability of counterparts and the alternative contact persons. The team obtained support from the EUD, the GoN focal points, including MoALD JS and CARD TA, as well as other projects active at the local level (e.g., Prime Minister's Agriculture Modernisation Project (PMAMP) in Koshi and the ASD Project (ASDP) funded by IFAD in Karnali). The team has identified other relevant interlocutors, as well as alternative sources of information/verification and ways of accessing documents.

2 Findings

This chapter presents evaluation findings grouped by seven areas of assessment: relevance, efficiency, effectiveness, impact, EU added value, coherence, and CSO involvement/cross-cutting issues. Detailed answers to the Evaluation Questions, judgement criteria and indicators are presented in Annex 9.

2.1 Relevance

2.1.1 Relevance of the programme design

EQ1.1: To what extent was the design of the BS programme appropriate and relevant in view of the political, economic and social context in Nepal, and the government's policy framework?

The BS programme was designed as largely appropriate and relevant in view of the political, economic and social context in Nepal, and the government's policy framework.

At the strategic level, the intervention was consistent and relevant to Nepal's agricultural development policies and the national context. The intervention was aligned with the Agriculture Development Strategy (ADS), agriculture policy and other related policy priorities of the Government of Nepal, such as climate change, fiscal federalism, nutrition, and SDGs commitments.

The EU CARD was designed as part of the EU-Nepal Multi-Annual Indicative Programme (MIP) 2014-2020, and within the focal sector of 'Rural Development' to contribute in particular to the following result areas: profitable agricultural commercialisation and sustainable agriculture guaranteeing food security. It also partially contributes to improved nutrition, though this is mainly addressed by another action. The EU CARD was also designed to contribute to the implementation of Nepal's Nationally determined contribution (NDC)s and, in particular, to enhance the resilience of its people to the impacts of climate change by supporting climate-smart agricultural development.

This programme was designed to contribute to the Agenda 2030, and primarily to the progressive achievement of SDG Goal: SDG 1 "No poverty". It also promotes progress towards Goals: SDG 2 "Zero hunger", SDG 5 "Gender Equality", SDG 8 "Decent work and Economic Growth", SDG 10 "Reduced Inequalities", SDG 13 "Climate Action" and SDG 15 "Life on Land". The intervention was also designed to respond to the needs of target groups, i.e., farmers' needs and priorities. The communication strategies were designed to contribute to ADS awareness, the aspiration of the farmers and the EU's support.

The intervention's logical framework (LF) was comprehensive. However, the various components – such as the BS, the TCF and the Policy Dialogue were in silos contributing to the theory of change. The complementarities have not been strong between the BS, complementary TA support, as well as communication and visibility. This was one of the reasons (along with the GoN's ownership of policy monitoring and credibility) that caused delays in the disbursement of the last fixed tranche. The TCF and the policy dialogue could have supported this process better in the manner in which it was

intended, by facilitating a better understanding for government stakeholders about the budget support conditionality, modality, as well as policy credibility and policy monitoring.

The LF was not dynamic in nature to integrate the emerging priorities and challenges. The log frame targets were mostly taken from the ADS, which were ambitious for several reasons. Some of the major reasons included: 1. the allocation of a low budget from the government to ADS implementation combined with the low absorption capacity of MoALD, provinces, municipalities and other ADS stakeholders; 2. weak collaborative engagement of the various government agencies and other partners, weak coordination, such as in planning, monitoring and in other activities among the three tiers of the government; 3. slow progress on federalisation with required financial and legal provisions and existing bureaucratic processes in the government systems; 4. dysfunctional M&E of ADS in a new federal structure and lack of data and bottom-up accountability; 5. short enough duration of the EU intervention for the targets of the ADS to be materialised.

The expected outputs of the BS programme (direct outputs and induced outputs) were designed as appropriate and relevant to the context and the government's policy framework related to ADS. The expected results of the EU TCF were designed as appropriate and relevant to the context and the government's policy framework related to ADS. However, they could have been better adjusted to respond to the transition to federalism, serving better ADS implementation in the federal context, beyond the general awareness building at the local level. This concerns the TA role, its structure, the institutional set-up (positioning within GoN) and the accountability/steering arrangements.

The BS was relevant, but the government should be in a position to better own, communicate and link with TA. The lack of SMART VT indicators during the design and difficulties in monitoring the indicators were partly responsible for inadequate proactive actions both from the TA and the government side.

Based on the feedback collected from the stakeholders, they consider the design of the BS programme to be quite relevant in view of the political, economic and social context in Nepal, somewhat relevant given the local context and farmers' needs in Nepal – with around 21% percent of respondents from online survey consider it as low relevant, and highly relevant in view of the government's policy framework related to ADS. Around 86% of stakeholders from the online survey consider EU TCF support being relevant. However, only half of them consider the EU's financial support, VT indicators and the policy dialogue to be relevant, whereas around 36% of respondents are not sure about the relevance. Stakeholders also mentioned that if the BS support is for agriculture sector development, then there should be at least an indication of how the funds are going to be used (contrary to the philosophy of BS, stakeholders hinted at some sort of earmarking) and make the TA more connected with the BS initiative. In this case, without knowing how the BS has actually been used they perceived a weak connection.

Based on the feedback collected from the stakeholders, the design of the intervention (mainly TCF) could have been done differently considering the following aspects. The TCF could have less ambitious target indicators and could have gone deeper, i.e., focused more intensively (on priority areas) on a smaller selection of provinces and municipalities rather than covering larger geographic areas at the national level. The TCF management structure could have been developed with the definition of clear roles and responsibilities, including the steering role, and could have specified performance assessment (framework for assessment with KPIs) and improvement mechanisms of TA delivery. In considering the federalisation, the revision of the TCF LF and indicators could have

been formally reflected in the TOR and the contract and could have been officially communicated to the government stakeholders (see EQ 1.2).

2.1.2 Relevance to emerging environment

EQ1.2: To what extent the BS programme was adaptive and relevant when circumstances changed.

The intervention was mostly adaptive and relevant when circumstances changed, but the intervention could have benefitted from more intensified policy dialogues and customised performance targets as a model approach in limited areas.

The transition in the governance structure had significant implications for the planning of agriculture development programmes. All three tiers of the government are now involved in agriculture development planning and programmes for agriculture and livestock development but without any formal consultation with the other levels. Agriculture planning at the local government level lacks adequate institutional capacity. In addition, weak coordination between key federal ministries and stakeholders in formulating and implementing sectoral policies also has an effect on the effective implementation of ADS along with resource availability to implement the planned activities.

The EU CARD programme was adapted to emerging circumstances and was responsive to the COVID-19 pandemic and fiscal federalism. This concerns all three components of the programme: the TCF, the policy dialogue, and the BS funds (including reallocations and time adjustments). Changes were made to the TCF logframe (and reflected in the annexes of TA reports), but these changes have not communicated efficiently to the relevant stakeholders.

The ADS was designed before the federalisation, and the CARD intervention was adaptive in its contribution to ADS implementation in the federal context and has provided support for the federalisation of the agricultural strategy. This included the arrangements within the TCF to be adaptive to internalise the federal context in project planning and management. The support to the local government planning and budgeting is an important measure to adapt the programme support to the new federal context. Although it has some weaknesses, it is certainly the most important adaptive measure. The TA intervention has supported drafting the PADS template and developing four PADS by considering the local needs and priorities based on their agroecological diversity. However, this support has not been completed due to the short project duration and project closure (see EQ3 on effectiveness). Similarly, the TCF was responsive to the federal MoALD demand to develop and operationalise the farmer registration system. However, the system has not been completed due to the short project duration and project closure (see EQ3 on effectiveness).

The BS programme was also adaptive to the COVID context. This was demonstrated by the reallocation of the funds from the variable tranche to the fixed tranche due to COVID. There were however limited efforts made by TCF to carry out an adequate capacity needs assessment of the governance structure (covering 3 tiers) from the outset that could have dealt with the changing context differently, and to facilitate policy planning and monitoring functions in the federal context.

The TCF adopted a flexible and adaptive intervention design based on changing contexts and responding to the need of the Government of Nepal. For example, the initiation of farmers' registration software, was not included initially. The TCF carried out activities which were relevant to the federal context, such as awareness raising on ADS at the municipal level. However, it had less impact from

the 'value added' to the priority demand of stakeholders. For example, the GoN stakeholders mentioned the need for more analytical work to back up the policy planning, rather than the general training with nationwide and whole of (local) government coverage, which is not focused on specific priority subjects, and is not sustainable due to frequent staff change and change in political leadership. The sustainability aspects of the awareness training have not been adequately addressed. For instance, most of the chiefs of the local governments participated in EU CARD TA - ADS orientation training, but with the new elections, there was a new set of elected representatives without ADS knowledge. Similarly, there was a high level of staff turnover in the local government making it difficult to institutionalize the support provided by the TA.

In summary, EU CARD remained relevant in emerging circumstances, but its adaptability could have been better and did not fully contribute to the effectiveness of the intervention. The stakeholders consider the CARD programme being quite adaptive and relevant when circumstances change, both for the BS support and TA support. However, mixed feedback is received regarding the BS policy dialogue being adaptive and relevant. The interview findings are confirmed by the survey findings.

2.2 Efficiency

2.2.1 Inputs

EQ2.1: To what extent have the financial and non-financial inputs of BS programme contributed to creating new opportunities for the GoN and improved the aid framework?

The financial and non-financial inputs of the EU CARD programme somewhat contributed to creating new opportunities for the GoN and improved the aid framework.

The EU CARD programme contributed to creating some new opportunities for the GoN (as mentioned in the TCF report), such as increasing general awareness about the ADS and creating wider ownership of provinces in their ADS. All elements of CARD contributed to creating the new opportunities, i.e., the TCF, the policy dialogue, and the BS funds (which, based on anecdotal evidence, have been used for fertiliser subsidies), BS performance indicators, e.g., Community Agriculture Extension Centres (CAESCs), etc. The policy dialogue between the EUD and GON as a result of federalisation offered new opportunities at the (Sub-National Government) SNG level, such as PADS development, support to municipalities to raise awareness on ADS, etc.

With this EU support, MoALD has started engaging DPs to develop new initiatives in line with ADS, supported a farmer registration system, and contributed to developing provincial ADS, among a few others. However, there is no clear evidence documented on the progress reports on how the financial and non-financial inputs contributed to creating new opportunities (e.g., from the review of the project progress report, the latest JSR (2021), the ADS monitoring report (2023) and other documents).

DP program (including budgetary) support to Nepal has increased in recent years compared to project support. The evaluation reveals that the learning from this intervention has a positive role to embark on budget support initiative by other DPs in Nepal. Therefore, findings of this evaluation could benefit to other programmes beyond EU future program. And this report can become a useful reference material for future program design irrespective of DPs.

The Contribution to an improved aid framework could have been more impactful, as JSR 2021 mentioned a “need for Development Partners (DPs) to align their support to the ADS outputs and outcomes”. The ADS trust fund (ATF) foreseen in the ADS document never materialised. ATF was supposed to be a multi-donor trust fund with an implementation modality agreeable to both GoN and Development Partners. ATF was supposed to be used for the implementation of ADS flagship programmes and TA support for the implementation of ADS.

The EU support was appreciated by the government (e.g., MoF and MoALD at the federal level, as well as at the provincial level stakeholder). The amount of the CARD programme is considered adequate as the first EU budget support to this sector, given the possible risks related to absorption capacity and the low share of capital expenditure. However, the GoN stakeholders have mentioned that there was not much proactiveness of the EU noted to use this support for creating new opportunities and improving the aid framework. The TA component was considered an activity-based project with LF not being used for accountability and steering by the Government. It was noted that the TA was not adequately steered to get the maximum benefit. Not using the LF is an issue related to the relevance of design (EQ1), as there was apparently no mechanism put in place to monitor delivery towards expected LF/results. The focus on activities rather than on results is an issue linked to effectiveness (EQ3).

There have not been major changes in GoN allocation of the sector resources and programmes linked to ADS priority areas, which can be attributed to the EU CARD programme. This serves as evidence of new opportunities has not been emerging as a result of BS funds. However, MoALD is considering increasing funding requests from MoF for further development of farmer registration and the M&E system.

Based on the feedback collected from the stakeholders, the EU BS contribution to improved aid framework and to creating new opportunities for the GoN is considered moderate by stakeholders, with around 20% of respondents not being clear about the extent of contribution. The contribution of non-financial inputs of the BS programme (technical support and policy dialogue) is considered significant by around 65% of respondents. Whereas the contribution of financial inputs of the BS programme (financial support) is considered significant by only 50% of respondents.

2.2.2 Determining factors

EQ2.2: Which have been the determining factors?

There were a few determining factors of the BS programme contributing to creating new opportunities for the GoN and improving the aid framework.

The EU CARD programme has been supportive in responding to sectoral rearrangements (and improvements) in the federal context. This included the following: improved awareness among the government and decision-makers (e.g., through local level orientation training and sensitisation); improved institutional and individual capacity (e.g., through drafting PADS, and strategic advice at the provincial level); and improved planning and monitoring systems (e.g., orientation and capacity building on a better understanding of M&E) and farmer registration.

The EU BS was instrumental in emergency response during the covid pandemic. To address the COVID crisis and to support the GoN, the CARD BS was flexible enough to shift funds from VT to FT

(12 M EUR). However, there were delays in the last (4th) tranche payment (was due in Q2 2021 and has not been paid until the end of Q1 2023). This is because it was not possible to complete the monitoring exercise of ADS and to analyse its results.

The GoN has demonstrated commitment and continuous performance against EU VT indicators, even with the tranche being closed with the shift to a fixed tranche. Despite the disbursement rate of VT indicators being 58.3% both in Y1 (2019) and Y2 (2020), the EU payment files (for both years) note that the MoALD and other Ministries concerned with the variable tranche indicators achieved good overall progress towards the specific targets defined for the release of the first and second variable tranche. This was also confirmed by the latest MoALD monitoring report.

Meanwhile, there were constraints related to the GoN ownership and capacity, civil service uncertainties in the federal context, staff transfer and lack of staff, which negatively affect the new opportunities and the impact of the CARD and ADS in general.

The TCF reports and other documentation do not provide information regarding the status of assumptions underlying the theory of change, and how they were managed. This undermines risk management under efficiency/effectiveness. During the field phase, the following status update was collected against the assumptions, which underlie the TA intervention and are documented in their reports.

Table 1: Status update against the assumptions underlying the theory of change.

| Assumptions | Status Update |
|---|--|
| Stakeholders remain committed to ADS implementation | The commitment was made at the provincial level and reflected in PADS preparation and other events including ADS awareness workshops. |
| ADSISU is engaged and committed to improving its capacity for ADS roll-out | ADSISU is actively involved in facilitating the PADS preparation/ implementation process (but there is room to improve to actively promote ADS planning, implementation and monitoring). |
| Nepal's transition to a federal system is successfully and efficiently implemented | Transition to the federal system resulted in failures in absorptive capacity to implement ADS activities effectively. In addition, there were weak extension and monitoring systems in the transition stage. |
| Flagship programmes are given autonomy and flexibility to achieve the desired goals in the context of Federalism | No change. But capacity constraints particularly at the local government level |
| The Government of Nepal and the MoALD will continue implementing the ADS, ensuring a high level of commitment and ownership from relevant stakeholders. | Assumption maintained. |
| ADS priority areas and new opportunities are adequately financed by GoN | The increase in budget has only taken place in some provinces whilst in others it shows signs of decrease. In all provinces, however, the utilization of the budget has been more rational and directed to ADS priorities. (although all activities being implemented across countries can be brought into the ADS umbrella |

| Assumptions | Status Update |
|---|---|
| | there is no reference taken and prioritization made while planning the agriculture-related interventions. |
| Number of municipalities increasing annually their budget for agriculture by 10% | The end target figure could not be verified due to a lack of M&E data. |
| The interest of municipality mayors to participate in orientation workshops | Assumption met. All mayors participated, but elections were held since then and some mayors were not re-elected. Advocacy and awareness of ADS were made to a broader group of local government officials |
| Priority of MOLMAC to support establishing coordination mechanisms. Coordination mechanisms are internalized in the regular budget and programs | Expressed as a priority, but ADS focal points merged into the planning/ M&E unit in some provinces. MOLMAC recognised the need for better coordination between the district and municipality levels. But the low impact in improving intersectoral coordination at the provincial level |
| The willingness of the municipalities to establish an agriculture development coordination mechanism | This may have been a temporary phenomenon to prepare municipality profiles. But since the follow-up capacity-building activities were dropped because of the shift in resources to work on the PADS in some cases this is unlikely to have been sustainable. |
| The Government of Nepal and the MoALD will continue implementing the ADS, ensuring a high level of commitment and ownership from relevant stakeholders. | Maintained since PADS have been prepared. |
| Support provided by municipality mayors in collecting data regularly for planning and M&E. No. of municipality databases produced | A shift in resources away from the local level towards the PADS resulted in less follow-up and capacity support. |
| Support of directors of provincial training centres/ units with the capacity to design and implement technical training programmes. Training centres supported for agribusiness development | A shift in resources to PADS preparation + COVID resulted in lower levels of achievement in capacity development support to provincial training centres. |
| CARD BS VT performance targets were met and adequately reported to the ADS coordination unit. The ability of MOALD and the Ministry of Finance to prepare quality submissions | Lack of evidence-based data and capacity of ADSISU to comply with EU variable tranche indicators. Lack of adequate TCF support to MoF/MOALD to facilitate the understanding of BS modality and arrangements. |
| Stakeholders remain committed to ADS implementation. GoN remains committed to the CARD programme | No change |

The interviewed stakeholders agree that, as per the aid framework, budgetary support is a top priority and very much needed by the GoN. There is still an increased need for investment in agriculture – both from the private sector and from the GoN contribution. DP's engagement and ADS JSR created a forum to discuss the aid modalities. Among the four major pillars of the ADS, governance and productivity increment was the major focus areas of the EU CARD programme. As such, the EU CARD provided an opportunity for farmer registration at local levels that may improve the subsidy

policy formulation framework and was instrumental for fertiliser subsidies. However, the stakeholders could not name any obvious and/or tangible opportunity that has resulted from the EU's financial inputs in ADS implementation. This might also not be expected, considering the very nature of budget support. There were however also no reported special efforts in achieving the variable tranches while they were still in place.

Regarding the contribution of non-financial inputs of the BS programme (technical support and policy dialogue), the stakeholders share the opinion that the TCF was key in the efforts to support and promote the reforms at the local level, although the intervention was thinly spread over the large geographic areas without putting concentrated efforts in the limited area based on the financial resources, expert availability and the intervention time. The TCF has created awareness of ADS at all levels, developed capacities, supported the policy framework and focused on improving coordination between sectors, donor agencies, as well as the three-tier governance system. The CARD programme (through the TCF) focused on the planning process through the capacity building of the local level technicians as per the ADS provisions. Technical experts at the provincial ministry supported to development of various activities related to agriculture planning. Overwhelming awareness was created at almost local levels, and the implication is the improvement of the planning process and planned document at the local levels. The TCF has covered the gaps due to a lack of experienced technical manpower at the local and provincial levels. The capacity build-up, coordination and monitoring were quite important. This has created opportunities for more efficient planning and a better understanding of monitoring, opening opportunity to categorise farmers and manage agriculture subsidies.

2.2.3 Policy dialogue and complementary support

EQ2.3: To what extent has BS programme contributed to an efficient and effective policy dialogue and to well-coordinated capacity-building activities, both focused on strategic government priorities?

The EU CARD programme contributed to the policy dialogue, which was effective, i.e., it led to policy changes/improvement and well-coordinated capacity-building activities, both focused on strategic government priorities. However, the policy dialogue was not necessarily efficient, i.e., it was not formalised, structured and organised with formal steering committee meetings, agendas and notes.

The interviews and the minutes of various meetings (conducted under the BS programme) point to certain decisions emanating from the dialogue, which led to certain new policy/capacity-building actions/measures to implement national policies. The CARD programme helped in effective policy dialogues to develop or revise agriculture-related policy frameworks at different levels through demand-based requests, carrying out studies, preparing policy briefs and provision of input for informed and evidence-based policymaking. Examples include the revision of agriculture policy (draft), agriculture extension strategy (draft), fertilizer subsidy, gender strategy, seed sector development in Lumbini Province and, an organic agriculture policy for Karnali province and guidelines and directives with the MoALD.

The support has been well perceived by the stakeholders and used in policy and decision-making process. For example, the organic agriculture policy has been formally adopted by the *Karnali* Province and support on gender studies was used in developing GESI strategy. The TA support was also used in developing policies such as agriculture policy and national agriculture extension

strategies. The discussion with the national level stakeholders however mentioned that the support could have worked on more prioritised themes or issues with additional focus on changing the dialogues into concrete policy or decision-making documents.

Similarly, the TCF intervention supported the development of ADS strategic frameworks and provided various capacity-building support at three tiers of the government. However, as per the feedback from the stakeholders, the policy dialogue was not structured, policy dialogue meetings were not formalised, and largely not very effective related to those were carried out through the TCF. From the EUD side, the dialogue was frequent (about 4 times a year), including with the MoALD secretary. The EU is also a co-chair of the technical committee and food security group.

The following feedback was received from the stakeholders through the 31 online survey. The contribution to an efficient and effective policy dialogue is considered significant by 50% of respondents. The contribution to well-coordinated capacity-building activities is considered significant by around 70% of respondents. The contribution to strategic government priorities is considered significant by around 60% of respondents. The contribution of the intervention in the timely delivery of ADS outputs is considered significant by around 50% of respondents. Meanwhile, around 7% of respondents are not clear about the extent of their contribution.

2.3 Effectiveness

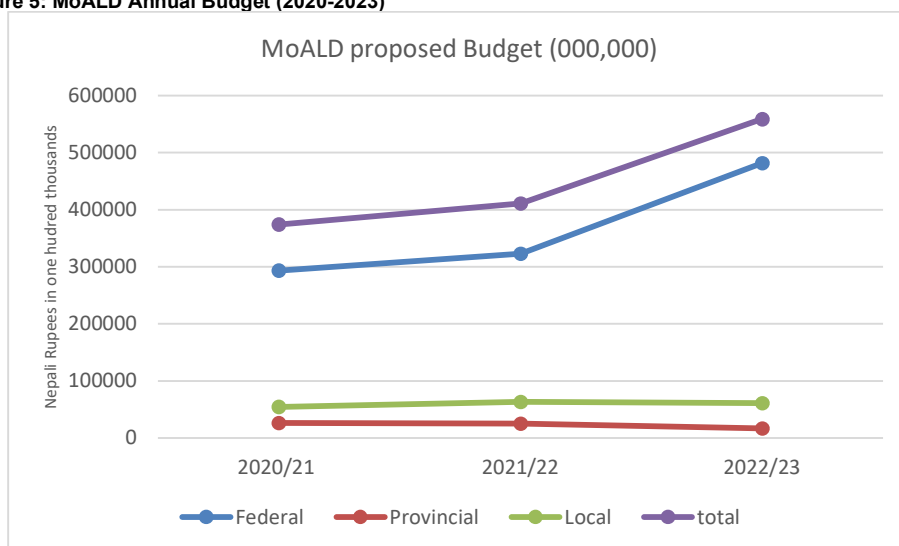
2.3.1 Agriculture sector budget/allocations

EQ3.1: To what extent has the BS programme contributed to the increased size and share of agriculture funding in the government's budget process?

The BS programme had some contributions to the increased size and share of agriculture funding in the government's budget process. However, the level of contribution is unknown.

In the last four years, the share of the agriculture budget has slightly increased in absolute terms: 2.57%, 2.54%, 2.76% and 3.12% in 2076/77 (2019/20), 2077/78 (2020/21), 2078/79 (2021/22) and 2079/2080 (2022/23) respectively (see below figure). The budget, however, reduced in the current fiscal year due to overall budget cuts by the Ministry of Finance. In recent years, the nominal allocation of the budget for agriculture has been increasing only at the federal level. At the provincial level, the budget was decreased (in FY 2021/22 by 5.6% and in FY 2022/23 by 33.6%), and at the local level, it was decreased in FY 2022/23 by 3.4%. Further details of the budget analysis are presented in Annex 6.

Figure 5: MoALD Annual Budget (2020-2023)



The capital expenditure against the recurrent expenditure is still very low. For example, in the financial year 2079/80 (2022/23), the capital budget was only 7.1% and in 2078/79 (2021/22) it was 8.8%. Meanwhile, it is not clear how much of this amount is used for ADS outcomes. The scope of allocations in the recurrent cost category must be clearly defined, and allocations to capital costs must be increased through annual program planning, which will be critical to generate intended outputs and outcomes, including enhancing people’s livelihoods.

The increase in budget has only taken place in some provinces whilst in others it shows signs of decrease. In all provinces, however, the utilization of the budget has been more rational and directed to ADS priorities. The ADS-related budgeting and spending trends of municipalities are not clear.

There has been a weak absorptive capacity for the spending of the agriculture budget with around 57% at the federal level (in 2020/21), and even lower at the provincial (26% in 2020/21) and local (17% in 2020/21) levels. The stakeholders (government, private, cooperative and farmers) do not have the absorptive capacity for increased spending in agricultural development. This is partly due to the lack of and inadequate quality of the staff, weak coordination among the stakeholders, unclear roles among the three tiers of the government, and inadequate policy frameworks and institutions’ capacity, particularly at the local level. The transition to the federal system was longer than expected which resulted in failures in absorptive capacity to implement ADS activities effectively.

It is by definition harder to prove the additionality of budget support, e.g., whether or not the CARD contributed to an overall higher allocation to the sector (the “with” and “without” situation). This type of attribution analysis is outside the scope of the evaluation. The evaluation, however, did study if there was any evidence of a direct link of (part of) the variable tranches leading to higher spending on the specific CARD objectives. There was however no clear evidence documented that the BS has had an impact on the Government negotiations for the financing of the sector due to the lack of a structured TA support plan (particularly for Results 6) available for the same.

There is anecdotal evidence that EU BS funds helped the government to allocate funding to provide fertilisers subsidy to farmers. However, considering that the agriculture budget was cut by MoF by 20% this fiscal year, the overall additionality seems not that significant.

2.3.2 Sector policy and institutional effects

EQ3.2: Have there been improvements in policy formulation and implementation processes, in the quality of the policy setting and democratic accountability, and to what extent and through which mechanisms (flow of funds, policy and institutional effects, others) has the BS programme contributed to these improvements?

Due to the EU CARD programme, there have been improvements in policy formulation and implementation processes, in the quality of the policy setting.

These improvements in policy formulation were due to the following interventions: Support in the revision of Agriculture policy; Support in the revision of Agriculture extension strategy; Support in the development of National GESI strategy; and Studies on the development of evidence-based policies such as fertilizer subsidy, voucher systems; Support at provincial level policy development: PADS, and support to the development of organic agriculture standard in Karnali province. Similarly, the improvement in implementation was mainly attributed to awareness raising, support in the planning processes and provision of experts at the provincial level.

The following feedback has been received from the survey respondents. Around 64% of respondents consider the EU CARD contributed to improvements in policy formulation and result-oriented planning. However, they are not sure about the quality of the policy setting and democratic accountability. They consider contribution is largely through technical assistance (institutional effects), and less through financial means (flow of funds), policy dialogue (policy effects) or other mechanisms. The evaluators however viewed that, the financial means also build the ground for preparing the policies and institutions that support the policy environment.

A major risk of continuity was noted, as there was a high level of staff transfer and there are no clear legal provisions built to ensure the accountabilities of the different government agencies. Furthermore, due to the lack of a civil service act, there was a shortage of staff at the subnational level.

2.3.3 Monitoring performance in the agriculture sector

EQ3.3 How have the M&E systems improved in the Agriculture sectors?

The EU CARD intervention had somewhat contributed to the improvement of M&E systems in the agriculture sectors, but it was limited to the understanding, and no support was provided for implementation.

The TCF intervention assisted with initial steps to strengthen the local government in data collection, agricultural planning and monitoring and evaluation. The TCF has provided a relevant suggestive outline for M&E for all tiers of the government, including a framework for the web-based M&E. However, the support was largely limited to M&E sensitisation. The evaluation found no evidence of the government stakeholders using the framework. The support for designing the system, even though on a pilot basis in small scale, could have been of real added value.

The linkage between the M&E system for the CARD programme and the country/government systems seems not to have reinforced each other. This is probably related to the fact that the national-

level M&E systems are not functioning. Systematic and sector-wide M&E frameworks and systems are lacking. With the federalisation and lack of coordination mechanisms, the previous M&E systems are not functioning anymore, because of a lack of data collection and aggregation.

One of the challenges is accountability and coordination within the government. This is because some of the indicators lie outside the responsibilities of MoALD, and there have been challenges in terms of accountability to MoALD with the current coordination set-up. This concerns coordination challenges both at the federal level and between 3 tiers of the government. The inter-sectoral coordinating mechanisms set up as part of ADS governance were not implemented.

The agriculture management information system (AMIS) was developed by the MoALD statistics section (recently). The TCF has not been engaged in this. Stakeholders at the province level and selected local governments have been oriented by the statistics section. Some of them started entering the data, e.g., different types of products. However, further work has been suspended due to MoALD's budget cuts. The budget request from MoALD to MoF is being prepared for next year's implementation of AMIS. The MoALD has also approached JSR for DP support.

The following feedback has been received from the stakeholders: No visible change in the M&E system has been achieved in practice. Even worse, the M&E systems deteriorated with the move to the federal system. This non-functioning of M&E systems has also impact partly on the reporting of the EU BS VT indicators. For instance, there were no mechanisms of documentation of 'Increase in the national coverage of functional irrigated command areas (VT indicator no 2).

However, the importance of M&E has been realised by all stakeholders, including those at the local level. The EU CARD support had very little contribution (limited to awareness raising and developing a model M&E plan) towards strengthening the M&E system in agriculture. The TCF reviewed existing M&E mechanisms and suggested improvements. The TCF has also developed a concept for a new system and trained technical staff at all levels. But implementation of the new system required more time and resources and has not been pursued by TCF.

2.3.4 Local governance of the agriculture sector

EQ3.4 To what extent and through which mechanisms (funds, dialogue and TA) has budget support contributed to strengthening local governance?

The EU CARD contributed to strengthening local governance.

Stakeholders consider the contribution to strengthening local governance is largely through the TCF. This response is understood by the evaluators as a direct consequence of their limited knowledge and understanding of the other components of the BS. The recognised contributions include a nationwide outreach to all seven provinces and municipalities and sensitisation about ADS, setting up of farmer registration software, and drafting provincial ADS among a few others.

As per the ROM review (2020), the BS programme results (induced outputs are considered to have been largely achieved, and there are tangible achievements in BS programme results (direct outputs). There were also tangible achievements in EU TCF results. However, because of the absence of a monitoring system and the data (see section 2.3.3), the output level achievements could not be independently assessed or verified.

Sustainability issues of training and ADS awareness remained a challenge due to the change of staff (significant at the local level) and the change of locally elected representatives at the sub-national level. Due to the TCF shift to other areas of support (such as Provincial ADS preparation), provincial training centres/ units have not benefited from the TA support to have enhanced capacity to design and implement technical training programmes.

The following feedback has been received from the counterparts.

- The TCF has provided training to extension staff at the provincial/ district/ and local government level in planning, data collection and M&E, but in general research and extension, systems are not accessible to the farmers as expected.
- The TCF helped the government review the agricultural extension strategy. The extension system was partially supported through training provided to extension agents. But there were only a few technical staff at the sub-national level (for example 1-3 technicians at the municipality level). Their capacity is very low and there is a need for a capacity development plan to strengthen their skills.
- The research sector remained untouched at the local level. Not many tangible results have been observed related to research and extension systems because research and extension systems are not working properly after federalisation.
- Very few areas of land management have been achieved. Few policies and acts governing land management were in place. Land ownership under female increased. Land/crop pooling-based farming getting momentum.
- Regarding competitiveness, the market infrastructure has been initiated to some extent such as dairy products. It is however hard to attribute the achievements to the EU intervention only.

EQ3.4 To what extent the budget support direct outputs have been achieved?

The EU CARD's direct outputs are largely achieved.

As mentioned above, the ROM assessment couldn't provide any data regarding the achievement of the targets. The absence of monitoring does not allow to independently assess (direct) output level achievements. The evaluation team experienced no further progress in the M&E system since the ROM review was conducted. Due to that, the evaluation team could also not verify the progress towards the indicators. However, through stakeholder consultations, it was observed that the outputs are mostly achieved. It should, however, be noted that none of these outputs can be attributed solely to EU CARD. These indicators all correspond to those in the ADS framework.

Stakeholders consider the achievements mostly in output 1.2. Increased capacity of implementing agencies to plan, execute and monitor progress. And there is mixed feedback on other outputs. GESI mechanisms are not reinforced in the existing planning, implementation and monitoring systems (Output 1.3). Strengthened nutrition capacities are low (Output 1.4). Irrigation coverage was achieved to some extent (Output 2.3). No tangible achievements were noted regarding climate change adaptation (Output 2.4), and marginal achievements in selected value chains strengthened sub-sectors, in particular dairy, lentils, maize, tea and vegetables (Output 3.1).

EQ3.4 To what extent the TA results have been achieved?

The EU CARD TA results are largely achieved.

The support was provided to subnational level stakeholders through capacity building, but they were generic, and the support didn't go deeper into issues with specific relevance to the stakeholder needs. For example, the TCF provided some orientation trainings on planning at the local government level, but the local government view was that those trainings were not enough for increasing their capacities in systematic planning, such as resource identification process, options analysis, developing actions plan, which would have been easily monitored and development of reporting systems. The EU CARD programme supported localised ADS in provinces (with direct support in 4 Provinces) and helped in agriculture planning. Fewer results have been achieved in M&E (Result 4) and PFM/Budget Support facilitation (Result 6).

Based on the feedback collected from the stakeholders, key highlights of TCF achievements are as follows:

- The ADS was communicated at all levels to a broad range of stakeholders, guidelines were developed for improved planning and M&E, and awareness-raising workshops were conducted at the municipality level that was combined with training of municipality technicians in planning/ M&E, data collection and policy support was provided. The ADS has been perceived a prominent role at the provincial level.
- The achievements have culminated in the development of Provincial ADSs, which were prepared in close cooperation with the provincial MoLMAC offices (with EU CARD TCF direct support to four provinces). This support has ensured complete ownership of the PADS.
- The PADS also requires the establishment of a database for planning and monitoring at the provincial level, which was challenging with the shift to federalisation. The TCF supported the development of a farmer registration system. With PADS, the provincial governments are required to have a framework for the formulation of new and revised provincial policies, regulations, directives and guidelines. This has been supported by the TCF.
- Important achievements emphasised by stakeholders are the design and launch of the farmer registration software, and policy-level support studies and policy briefs, all of which contributed to ADS implementation in the federal context.

Some of the challenges noted are the following: inadequate TCF management structure; inadequate clarity on its scope of work and ToR in the changing context; as well as recruitment of provincial experts – network vs innovation.

The following feedback has been received from stakeholders regarding each of the TCF results:

- **Results 1. Develop and roll out a communications strategy.** Contribution to local awareness about ADS was achieved. The communication strategy was prepared; however, it was poor in implementation. All the local levels (municipalities) in all provinces were covered by the ADS orientation programme and were sensitised to some extent.
- **Results 2. Governance and policies:** The support was ad hoc; however, it was relevant and contributed to the intended results. The TCF has facilitated in preparation of PADS. Despite regular and nationwide orientation programmes, governance and policy results are to be achieved yet.
- **Results 3. Agricultural Planning:** Main areas of achievement, at the local level, include: drafting planning guidelines and training for local governments (municipalities). Planning guidelines are prepared at the local level. After the training programme, some improvement has been carried out in agricultural planning.
- **Results 4. Monitoring and Evaluation:** Some development of capacities at the local level has been noted but with limited impact in the absence of an overall system. An M&E plan was

prepared⁷. Training on planning and monitoring as well as the use of farmer registration software has been delivered. However, not much was achieved in M&E.

- **Results 5. Human resources development:** Several capacity-building interventions at the local level and notable achievements were noted.
- **Results 6. Sector Budget Support and PFM:** Very limited work in support and knowledge sharing related to sector budget support and PFM.

EQ3.4 Achievements in BS variable tranche (VT) indicators

The EU CARD BS variable tranche (VT) indicators were partially achieved. Achievements are difficult to measure, as there was not adequate data/evidence available, and it is difficult to attribute the indicator performance within 2 years cycle.

The disbursement rate of the VT was 58.3% in both 2019 and 2020, which reflects the extent to which performance indicators were achieved (3 VTIs achieved 100%, 2 have not been achieved and 1 partially (50%) achieved). And then the VT was reallocated to FT (for Y3 and Y4) to tackle COVID-related challenges. The VT indicators didn't properly consider the data availability issues and lack of mechanisms to measure. For instance., nutrition data is not collected on an annual basis. There are a few indicators, which are outside MoALD's responsibility. There are challenges in data collection and sharing from the local level, which is partially caused by new federal institutional arrangements and because of the system change, where the federal ministry has no influence. The Land reform area is quite complex. Only investment will not contribute to more results. There are other factors such as policy instruments. The MoALD Monitoring Report on Implementation Status of ADS (2023) provides the status of Performance Indicators used for the Disbursement of the Variable Tranches (Annex 6). Due to the weak collaborative actions among the different sector ministries and tiers of government, there was weak reporting and data analysis.

2.4 Impact

2.4.1 Development outcomes

EQ4.1: To what extent, in the Agriculture sector, have the development outcomes (including nutrition, food security, gender and inclusive development) pursued through the policies and programmes supported by BS programme been (or are being) achieved?

There is only anecdotal evidence for contribution to the development outcomes (including nutrition, food security, gender and inclusive development) pursued in the agriculture sector through the policies and programmes supported by the EU CARD programme have been achieved. However, the extent of achievement and EU CARD contribution cannot be assessed due to a lack of data and long impact pathways.

The data shows a positive correlation with the BS intervention's expected impact such as food and nutrition and rural poverty (JSR, 2021). But there are no data collection mechanisms and no clear evidence available to attribute these impacts areas. Meanwhile, the ADS was not considered as a sectoral strategy, but rather as MoALD's work.

The EU CARD considered impact was low, as per the primary data from the interviews and stakeholders' feedback. This concerns the impact on all areas. Although the impact on food security

⁷ Monitoring and Evaluation System and Plan for Agricultural Sector aligned with Federal Context of Nepal - Design, Framework, Tools And Procedures

was higher compared to other areas. The TCF supported the development of the GESI strategy at the MoALD.

EQ4.1B: To what extent the BS Outcomes have been achieved.

There is only anecdotal evidence that EU CARD outcomes have been achieved. However, the extent of achievement and EU CARD contribution cannot be assessed due to a lack of data.

Due to the insufficient ADS monitoring data, it is not possible to quantify the achievements of EU CARD BS outcomes. Furthermore, many stakeholders consulted (around 20% of the online survey) couldn't comment regarding EU CARD BS outcomes achieved.

Mixed feedback has been received from the stakeholders. It is noted that the BS contributed positively toward the achievement of the outcomes. The contribution was, however, more visible for Outcome 2: Higher Productivity and Outcome 3: Increased and profitable commercialisation of agricultural products than for Outcome 1: Improved Governance in the sector, including coordination, planning, GESI, and Food Security and Outcome 4: Increased competitiveness.

2.4.2 Explanatory factors

EQ4.2: Which have been the determining factors of their achievement?

The JSR 2021 observed a few challenges, such as weak federal and provincial inter-ministerial coordination and follow-up mechanisms, shifts in government priorities, unclear roles of TCF in decision-making processes, weak coordination among DPs, competing priorities on scarce skilled human resources, lack of prioritisation of programs and budgetary processes limited realisation of the importance of agriculture by local governments, and weak capacity of extension workers.

During the desk review the intervention assumptions (see below) have been hypothesised to underpin the Theory of Change (see Annex 5, where details of the reconstructed theory of change are presented, together with the assumptions).

- **IF** sufficient resources and more efficient spending is in place with improved coordination, monitoring and results oriented planning, as well as with improved implementation capacity; **IF** the government has conducive policy for the private sector engagement and farmer producer organizations (FPOs); **IF** the Government has the private sector friendly policies, and **IF** enterprising farmers get incentives and basic services; **IF** development partner including the EU contribute to the implementation of the government prioritised programmes; **IF** the EU intervention support ADS as a whole, and address the challenges through budget support, policy dialogue and technical cooperation; **IF** the MoALD and the Local Governments report on ADS implementation and Joint Sector Review provides valuable input to improve the agriculture sector, **THEN** the **EU CARD programme will contribute to poverty reduction, to food and nutrition security, to climate resilience, to the improved competitiveness of the sector generating higher and more equitable incomes in rural areas of Nepal.**
- **Improved governance, including coordination, planning, GESI, and Food Security (Outcome 1) will be achieved** in the sector **IF** the GoN demonstrates ownership and commitment to the following: Higher capital expenditure and higher execution on spending in the agriculture sector; Yearly costed plans (for 3 to 5 years) and joint monitoring; Adoption and implementation of GESI action plan; Capacity development for Nutrition; Vulnerable groups to benefit from ADS

and reduction of malnutrition; and Result based planning and following evidence-based MEL. This is **BECAUSE** the following direct outputs of the CARD programme will result in the improved capacity of stakeholders for promoting accountability and equitable opportunities: Increased budgets for ADS and improved execution rate on capital spending (DO 1.1); Increased capacity of implementing agencies to plan, execute and monitor progress (DO 1.2); GESI mechanisms reinforced (DO 1.3); and Nutrition capacities in the sector strengthened at all levels (DO 1.4).

- **Higher productivity (Outcome 2) will be achieved** in the sector **IF** the GoN demonstrates ownership and commitment to the following: Addressing bottlenecks to effective and timely capital spending; Improving planning and implementation readiness of investments (Ministry of Irrigation); Deployment of Agriculture Technicians at the local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs); and Enabling intersectoral collaborations to prevail on national priority sub-sector. This is **BECAUSE** the following direct outputs of the CARD programme: Increased coverage of irrigation (DO 2.3) and Climate Change adaptation as well as DRR measures adopted and implemented (DO 2.4) will result in the following induced outputs: Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification (IO 2.1); and Improved land management (IO 2.2).
- **Increased and profitable commercialisation of agricultural products (Outcome 3) will be achieved** in the sector **IF** the GoN demonstrates ownership and commitment to the following: Addressing bottlenecks to effective and timely capital spending; Improving planning and implementation readiness of investments (Ministry of Irrigation); Increasing commercialisation of agricultural products, development of agribusiness (Ministry of Agriculture - MoALD); Reforms to accelerate the commercialisation of agriculture, stimulating investments in agro-processing and optimising land use (Ministry of Agriculture - MoALD). This is **BECAUSE** sustainable/self-financing (and inclusive) value chain demonstrated at the national level will be achieved triggered by the following direct output of the CARD programme: Selected value chains strengthened sub-sector wide, including, dairy, lentils, maize, tea and vegetables (DO 3.1).
- **Increased competitiveness (Outcome 4) will be achieved** in the sector **IF** the GoN demonstrates ownership and commitment to the following: Reinforce agriculture extension services closer to the farmers; Deployment of Agriculture Technicians at the local level, as a first step towards the establishment of Community Agriculture Extension Centers (CAESCs) (Ministry of Agriculture – MoALD and municipalities); Active promotion of and ownership by women; and Harmonisation of sectoral policies and support to stakeholders Ministry of Agriculture – MoALD. This is **BECAUSE** enhanced competitiveness in the sector through innovation, quality control, market infrastructure and export promotion will be achieved triggered by following direct output of the CARD programme: support with innovative tools and approaches to a larger (federal level) value chain, including quality control, market infrastructure, private sector engagement, export promotion and creating an enabling environment.

During the field phase the interview data and stakeholder feedback reveals that these assumptions have not been fully held, but remain relevant for the ADS to achieve its impact /success of the ADS and are relevant for all elements: BS, policy dialogue and the TA. Due to the lack of ADS governance structure and EU CARD steering arrangements, these factors have not been addressed properly during EU CARD implementation. The documentation does not provide information regarding the status of assumptions and how they were managed. This undermines risk management under the efficiency/effectiveness (see also EQ2 and EQ3).

As per the stakeholders' feedback, the following determining factors were instrumental and have been (are being) largely implemented:

- Development partners including the EU contributed to the implementation of the government-prioritized programmes.
- Joint Sector Review provided valuable input to improve the agriculture sector.
- The government had a conducive policy for the private sector engagement and farmer producer organisations (FPOs).
- The EU intervention supported the ADS as a whole and addressed the challenges through budget support, policy dialogue and technical cooperation.

However, the following remain behind:

- Sufficient resources and more efficient spending;
- Improved coordination, monitoring and results-oriented planning;
- Improved implementation capacity; and ADS consolidated reporting by MoALMC, MoEWRI, the Ministry of Land Management, Cooperatives and Poverty Alleviation (MoLMCPA), NPC and the Local Governments.

2.5 EU Added Value

EQ5: To what extent the fact that the BS programme has been financed by the EU has had added benefits to what would have resulted from other Development Partners interventions only?

The EU CARD programme has provided added benefits in addition to those resulting from other Development Partners' interventions.

EU-added value has been acknowledged by the GoN and DP stakeholders. The EU has been a key partner supporting the implementation of the annual JSR meeting actions. The stakeholders mentioned that the EU TCF was one of the important projects embedded in MOALD and has strengthened the governance system, which is vital given the new federal system. The intervention supported and influenced the MoALD to improve policy domains in the changing context (local needs and federalisation) through policy dialogues and other means.

However, the BS mechanism is not sufficiently understood by GoN and has not been sufficiently explained to them. See also the stakeholder feedback in the diagram below, as some of the respondents mentioned that they were not aware of the EU value addition. The EU BS could have done more in resulting in the overall sectoral budget allocation for agriculture and triggering private sector investment in agriculture.

2.6 Coherence

2.6.1 Complementarity and coordination with other Development Partners

EQ6.1: To what extent has the BS programme been complementary and coordinated to the interventions of other Development Partners?

The EU CARD intervention was in complementarity and in coordination with other DP interventions in strengthening the agriculture sector in Nepal.

The JSR mechanism is in place with EU participation. The EU has provided a lead role, especially through its technical committee meetings. Despite its weaknesses, the JSR functions as a platform for coordination, contributing to some extent to complementarities. The EU and its partners work together on policy and programme revisions, such as review of ADS, multi-sector nutrition plan, development of PADS, capacity development and coordination. However, the coordination and collaboration have some rooms to be improved further. There was a need for stronger collaboration among various projects (e.g., Prime Minister's Agriculture Modernisation Project (PMAMP), ASDP) under the overall umbrella of the ADS framework.

The following specific feedback has been received from the stakeholders. The EU CARD programme was complementary to other DP interventions in Nepal. The EU support through the Joint Sector Review mechanism at the federal level and actions taken at the provincial level by the TCF team was instrumental to improve inter-sectoral coordination. The EU TCF led the process of Provincial ADS development and has coordinated with other development partners while formulating PADS. The EU TCF has also coordinated with other development partners (such as USAID and Swiss Development Cooperation) while designing and implementing capacity-building activities.

2.6.2 Coherence with EU sector policies

EQ6.2: To what extent has the BS Programme been coherent with EU policies in the sector?

The EU CARD BS programme has been coherent with EU policies in the sector.

At the strategic level, the intervention was consistent and relevant to the EU policies and priorities (ref. MIP 2014-20). Rural development (including agriculture) was one of the priorities in MIP 2014-20. Agriculture is not a priority theme in MIP 2021-2027, where the new green growth theme has become a priority area. Yet, the coverage of this theme is still broad enough to be used as an umbrella to support the agriculture sector.

The Budget Support is a preferred aid modality for the EU, representing around 70% of EU development cooperation towards the end of MIP 2014-2020. BS follows a modality of 'using country systems' (UCS) and using government mechanisms.

Although the CARD BS design was fully coherent with EU policies, the government transition to the new federal system created challenges in implementation. Further complementarities can be built by taking lessons learnt and building on the success of CARD with EU portfolio BS programmes, including support to nutrition, WASH, and Local adaption to climate change with climate-smart agriculture.

2.7 Cross-cutting issues and CSOs involvement

EQ7: To what extent has the BS programme contributed to creating opportunities and strengthening the role of the Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight?

The EU CARD programme's contribution has been observed to be low in creating opportunities and strengthening the role of Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight.

The ADS was not sufficiently used as a strategic tool to better engage Civil Society Organisations and other beneficiary groups. Nevertheless, CSOs are somewhat involved in ADS-related policy formulation and agriculture sector planning. The MoALD and subnational authorities engage them in all development processes. Farmers mentioned that CSO and their organisations benefit more from municipal-level engagement, rather than federal or provincial engagement. They have also attended a few events organised by EU CARD TCF.

The following benefits have been mentioned by farmer stakeholders interviewed. They have benefitted from the fertiliser subsidies, and technology (including know-how) transfers, and there are more benefits received from the local level, vs Federal/Provincial.

The EU CARD BS programme was designed in consideration of relevant SDGs, GESI principles, climate change objectives and other cross-cutting aspects. However, its contribution to gender equality, women's empowerment, social inclusiveness, the environment and adaptation to climate change, relevant SDGs and their inter-linkages, as well as to the principles of 'Leave No One Behind' are not monitored and the ADS' monitoring data is lacking (as per the feedback from the online survey – see below).

3 Overall assessment

Below are the consolidated findings derived from Chapter 2 to inform conclusions, lessons learnt and recommendations, which are presented in Chapter 4. The consolidated findings are grouped by the following assessment criteria: relevance, efficiency, effectiveness, impact, EU-added value, coherence, as well as cross-cutting issues and CSOs involvement.

Regarding the relevance of the EU CARD programme. The BS programme was designed as largely appropriate and relevant given the political, economic and social context in Nepal, and the government's policy framework. The intervention was mostly adaptive and relevant when circumstances changed, but the intervention could have benefitted from more intensified policy dialogues and customised performance targets as a model approach in limited areas.

Regarding the efficiency of the EU CARD programme. The financial and non-financial inputs of the EU CARD programme somewhat contributed to creating new opportunities for the GoN and improved the aid framework. There were a few determining factors of the BS programme contributing to creating new opportunities for the GoN and improving the aid framework. The EU CARD programme has been supportive of the government in responding to sector rearrangements (and improvements) in the federal context. This includes the following: improved awareness among the government and decision-makers (e.g., through local level orientation training and sensitisation); improved institutional and individual capacity (e.g., through drafting PADS, and strategic advice at the provincial level); and improved planning and monitoring systems (e.g., farmers registration system, orientation and capacity building on a better understanding of M&E). The EU CARD programme contributed to the policy dialogue, which was effective, i.e., it led to policy changes/improvement and well-coordinated capacity-building activities, both focused on strategic government priorities. However, the policy dialogue was not necessarily efficient, i.e., it was not formalised, structured and organised with formal steering committee meetings, agendas and notes.

Regarding the effectiveness of the EU CARD programme. The EU CARD programme has some contribution to the increased size and share of agriculture funding in the government's budget process. However, the level of contribution is unknown. Due to the EU CARD programme, there have been improvements in policy formulation and implementation processes, in the quality of the policy setting. The EU CARD intervention has somewhat contributed to the improvement of M&E systems in the agriculture sectors, but it was limited to the understanding, and no support was provided for implementation. The EU CARD contributed to strengthening local governance. The EU CARD's direct outputs are considered to be largely achieved. The EU CARD TA results are also largely achieved. The EU CARD BS variable tranche indicators are partially achieved. Achievements are difficult to measure, as there was not adequate data/evidence available, and it is difficult to attribute the indicator performance within 2 years cycle.

Regarding the impact of the EU CARD programme. There is only anecdotal evidence for contribution to the development outcomes (including nutrition, food security, gender and inclusive development) pursued in the agriculture sector through the policies and programmes supported by the EU CARD programme have been achieved. However, the extent of achievement and EU CARD contribution cannot be assessed due to a lack of data and long impact pathways. There is only anecdotal evidence that EU CARD has contributed to the outcome objectives. However, the extent

of achievement and EU CARD contribution cannot be assessed due to a lack of data and attribution issues. As per the stakeholders' feedback, the following determining factors were instrumental and have been (are being) largely implemented: 1) Development partners including the EU contributed to the implementation of the government-prioritised programmes. 2) Joint Sector Review provided valuable input to improve the agriculture sector. 3) The government had a conducive policy for the private sector engagement and farmer producer organisations (FPOs). And 4) The EU intervention supported the ADS as a whole and addressed the challenges through budget support, policy dialogue and technical cooperation. However, the following determining factors remain behind: 1) Sufficient resources and more efficient spending; 2) Improved coordination, monitoring and results-oriented planning; Improved implementation capacity; and 3) ADS reporting by MoALMC, MoEWRI, and the Local Governments.

Regarding the EU-added value of the EU CARD programme. The EU CARD programme has provided added benefits in addition to those resulting from other Development Partners' interventions.

Regarding the coherence of the EU CARD programme. The EU CARD intervention was in complementarity and in coordination with other DP interventions in strengthening the agriculture sector in Nepal. The EU CARD BS programme has been coherent with EU policies in the sector.

Regarding the cross-cutting issues and CSOs' involvement in the EU CARD programme. The EU CARD programme's contribution has been observed to be low in creating opportunities and strengthening the role of Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight.

4 Conclusions and recommendations

4.1 Conclusions

Below are conclusions of the evaluation that are logically linked to the findings. These conclusions address the evaluation criteria and all the evaluation questions. They are coherent and balanced as they present both strengths and weaknesses. Conclusions are presented in order of importance.

C1. The EU CARD programme has delivered results, which are in line with the expected outcomes and impact, albeit the small amount of BS funds (financial assistance), the ongoing political/bureaucratic/institutional instability in the country and the complex dynamics of the agriculture sector. The EU CARD programme interventions supported the development of institutional improvement and policy revisions which have been assimilated within the existing sector development processes. These are institutionalised by the governments at all levels. The **CARD** programme has helped with the development of policy frameworks (including PADS) at the provincial level. However, the BS indicators were ambitious for the government to perform against in consideration of the given intervention short period (three years), and even further complicated during the pandemic. Meanwhile, there is no data to claim the visible impact. Also, based on the anecdotal evidence collected during the field visit, it was **not possible to conclude that the programme has achieved its intended impact**.

C2. The EU CARD programme interventions have adequately responded to emerging and changing contexts in the agriculture sector (since the ADS was adopted), in consideration of the federalism transition, pandemic (causing slow, uncertain operation and change in decisions), and a few other external factors. Responsiveness included the reallocation of EU financial assistance from the variable tranche to the fixed tranche, including the amounts that have not been met in past years, as well as the reallocation of strategic TA and embedding them at the province level to support subnational ADS implementation in provinces and municipalities. However, the **CARD log frame and scope of the TA programme were not amended to reflect federalisation processes**. This fact made the targets overambitious and the accountability and government steering weak. Furthermore, for the BS and TA support to be more effective, it would have been better if the ADS was revised immediately within the federal context.

C3. The EU CARD programme has been strategic in facilitating the rather fragmented sub-sector strategies into a more comprehensive approach through ADS implementation at the national and sub-national levels. With the facilitation of EU CARD programme interventions, the MoALD has been more engaged with the provincial/municipal governments and the coordination has been improved. This has resulted in a positive contribution in terms of MoALD ownership, fostered policy improvement, and capacity building and contributed to ADS outcomes despite having some operational-level challenges. However, the comprehensive approach has yet to be materialised, considering the vertical and horizontal coordination gaps and accountability distortions of the current federal structure (e.g., from the local level to the federal). **Weak coordination and collaboration mechanisms has been persistent among the Government stakeholders, and the Government agencies work in isolation (silo approach)**. The coordination still has to be improved to make the ADS implementation a stronger intersectoral collaboration.

C4. The policy dialogue has played an important role - both the operational dialogue through the TCF project intervention and the strategic dialogue between the EU and the GoN. The policy dialogue has created awareness among the different stakeholders, generated knowledge and influenced policymakers in the development, revision and implementation of ADS, PADS, and other policy frameworks, such as directives, guidelines and standards at the federal, provincial and local levels. However, the federal and sector-level **policy dialogue could have been more instrumental in improving the GoN's understanding of the BS modality** and mechanisms to allocate additional funding to address the priorities and resource gap in the agriculture sector. The definition of the VT did not help either. The budget analysis however demonstrates the government's weak absorption capacity and additional funding may not have been effectively spent.

C5. The EU CARD intervention has contributed to some extent to the improvement of M&E systems in the agriculture sectors, but it was **limited to understanding and sensitisation of stakeholders**. The TA support to M&E didn't go deeper, and no support was provided for M&E implementation. This was challenging due to a number of issues. The disrupted monitoring and accountability arrangements are still persistent in the sector within the federal context. The ADS M&E data is inadequate and does not capture sufficient evidence to assess the EU CARD programme, as well as ADS performance and to attribute results. Both the TA reports and ROM reports note a lack of sufficient data. The data availability issues affected the verification of the VT indicator's performance. **The current data gap is a significant issue**, which limits the ability of the evaluators to assess the TOC, especially in an evolving and changing context.

C6. Weak institutional arrangements and not strong enough GoN ownership affected the TA performance, as well as the governance structure for TA accountability and steering. The efficient and structured steering of both the programme and the TCF by the GoN and other stakeholders was largely lacking. These shortcomings stemmed from the design of the programme, which did not envisage a legitimate steering or overseeing structure (comprising of GoN and concerned DPs), and did not facilitate for both program and TA implementing entities to deliver outputs on time at desired standard. There was a need for stronger collaboration among various projects (e.g., PMAMP, ASDP) under the overall umbrella of the ADS framework.

C7. The EU CARD programme has delivered several capacity building interventions at the local level with notable achievements. However, the sustainability of interventions beyond the programme duration has not been secured, including for those key achievements, such as the farmer registration system, PADS, and ADS awareness. Even though the MoALD has reported that farmer registration system has been institutionalised in the government system and approximately one million farmers have been already registered by the time of evaluation, there was no clear plan noted to rapidly scale up the process. Similarly, finalisation and approval of PADS is still not completed. At Federal level, MoALD is going to review and revise the ADS in collaboration with Development Partners. For this, the MoALD has allocated budget for Fiscal Year 2023/024. Sustainability issues are also a concern to the TA support to ADS awareness building and other workshops. Provincial training centres/ units have not benefited from the TA support to have enhanced capacity to design and implement technical training programmes.

C8. Considerations for going broader (nationwide) vs deeper. The EU CARD programme's contribution to strengthening local governance has been achieved through nationwide outreach to all seven provinces and all municipalities with sensitisation about ADS, setting up of farmer registration software, and drafting provincial ADS among others. Going deeper would have added more technical

value to meet the demand of the stakeholders – both for policymakers, service delivery entities and beneficiaries - farmer and agriculture organisations. This could have covered the areas where the sector is facing knowledge gaps or challenges, e.g., the fertiliser subsidy policy. The TCF intervention shifted the focus and resources to have national-level results with the current level of support in the existing context of inadequate capacity, due to changes in the government priorities, high rate of government staff reshuffling etc. This does not seem to be sustainable, albeit the great results achieved immediately in the short-term. The intervention was for a short duration and was patchy and sporadic.

C9. The EU CARD programme intervention components were delivered in silos, and complementarities could have been stronger between the BS, complementary TCF support, as well as communication and visibility. There was a formal policy dialogue in all seven provinces (including representatives from selected municipalities) and one at Federal level. The dialogue focused on National Agriculture Policy 2004, Nepal Agriculture Extension Strategy 2006, Agriculture and Livestock Insurance system, Subsidy mechanism in chemical fertilizer, Strategic Components of ADS etc. The policy dialogue could not optimally benefit from the TCF. It could have benefitted more from engaging with the MOALD officials identifying areas of pressing policy gaps and helping to mitigate them by advising ways and means, which would enhance credibility of policy dialogue/support. The interventions could have contributed more to having result-oriented dialogues and collaborative work among the government sectoral ministries such as MoFE and MoEWRI, and among the three tiers of government. Understanding of the sector performance BS is lacking among the stakeholders (linked to TA Results 6). Visibility and awareness about the TA and BS were low, especially at the local level, including GoN and DP projects.

C10. The EU CARD interventions could have considered the slow process of GoN reforms, including the federalisation and the unclear roles and responsibilities of the three tiers of the government related to agriculture and natural resources management.

C11. The EU CARD BS programme design could have rather selected more realistic (and less) indicators considering a number of factors, including, the short nature of the intervention, data constraints, and accountability arrangements. With this, the evidence could have been generated more easily to inform further interventions (in consideration of evolving and uncertain contexts).

C12. The EU CARD programme's contribution has been observed to be low in creating opportunities and strengthening the role of Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight. It is important to consider and target end beneficiaries for any BS programme to be successful and have a greater impact. The EU CARD could have gone deeper into the areas that are a priority to farmers (beyond focusing only on training, orientation and sensitisation), such as technology transfers, knowledge transfer, international markets, value chain etc. Farmers would need a better understanding and awareness of how to get services from the governments (particularly at the local level, such as entity registration, audit, compliance with government requirements, and tax payments). Results achieved with the farmers' registration system require further investment to become functional and to be used by farmers and policymakers at various government levels.

4.2 Lessons learnt

Lessons learnt from the EU CARD programme experience are useful, and that knowledge can be used while designing and implementing other EU BS programmes (both in Nepal and beyond). The knowledge can be used in decision-making, improving performance and promoting the achievement of better results. The following lessons are identified from the EU CARD, which is grouped by each assessment criteria: relevance, efficiency, effectiveness, impact, EU added value, coherence, as well as cross-cutting issues and CSOs involvement.

Lessons learnt regarding the relevance of the EU CARD programme.

L1. When designing a budget support programme, it is important to ensure that the performance indicators chosen in relation to variable tranches are achievable, realistic, and measurable (for which the data is available to easily verify the performance) and are within the competence of the government entity responsible for the action. When the institution responsible for the indicator performance is not in complete control or does not have substantial influence over the other implementing entities, it can easily result in under-performance, as happened to Indicator 2 (for which the Ministry of Irrigation was responsible) or Indicator 3 (for which MoALD and Municipalities were jointly responsible) or Indicators 5 and 6 (for which MoALD and MoLCPA were jointly responsible) or Indicator 4 (stunting) for which annual data was not available to verify. The scope of the TA should also consider the institutional role of the government entities and work to influence them for collaborative actions.

L2. Implementing the Budget Support programme is a learning experience, especially in uncertain and evolving contexts (such as the COVID pandemic or Nepal's transition to federalism). Therefore, EU interventions, including the LF, need to be adaptive to remain relevant when circumstances change. This was the case with the EU CARD programme interventions, which have adequately responded to emerging and changing contexts in the agriculture sector and in consideration of the federalism transition and covid pandemic. Responsiveness included the reallocation of EU financial assistance from the variable tranche to the fixed tranche, including the amounts that have not been met in past years, as well as the reallocation of strategic TA and embedding them at the province level to support subnational ADS implementation in provinces and municipalities.

Regarding the efficiency of the EU CARD programme.

L3. Government ownership and leadership are quite important and should be part of the agenda in regular and formal policy dialogue. This is particularly the case in the implementation of such complex and cross-cutting reforms as ADS, which requires real leadership and coordination roles - both at the federal level with other government entities, as well as at the provincial and municipal levels. There were a number of factors that caused difficulties in EU CARD implementation, including lack of coordination/collaboration mechanisms; government agencies working in isolations (silo approach); there was inadequate participation of other ministries in this process, and the ADS was not considered as a sectoral strategy, rather as MoALD's work; lack of accountability and clear responsibilities within the Government - who is accountable for what; the government ownership of ADS not being strong enough with weak institutional positioning of ADS section, and ADS structure functioning slowly; there was no clear

structure for managing and steering the TCF; the TCF was considered as another project without seeing its broadness and its main role of facilitation for the achievement of ADS outcomes.

L4. Government and institutional changes, including instability and external factors, affect the operation of budget support programmes and should be carefully included in the formal policy dialogue (both at strategic and operational levels) to get policymakers' buy-in and commitment to institutional stability for policy credibility. In the case of the EU CARD programme, these changes were related to the COVID pandemic (causing slow and uncertain operation) and the transition to federalism (a slow process which caused human resources management at local, frequent staff transfer). In addition, there are lots of changes in government institutional arrangements. The design should recognise and include a scope to integrate external and emergent factors during implementation. One of the options could be through the policy dialogue process, which can be used as an instrument for continuous review of the context and suggest adaptive measures.

L5. When an implementing entity is new to budget support (which was the case with MoALD), external support (e.g., from complementary TA) in monitoring and reporting on performance can be useful. There was an inadequate understanding of why and how BS and TCF work and what role should have been played by the stakeholders. Specific knowledge of EU BS modalities, guidelines and experience with other programmes (and lessons learnt from other current BS programmes in Nepal (such as education, nutrition and fiscal federalism) can complement and reinforce the tasks of public officials. It would be helpful to use the TA better to work with the MoALD and MoF and advise and guide on preparing for the disbursement documentation.

Regarding the effectiveness of the EU CARD programme.

L6. For the BS programme to achieve greater effectiveness, it is desirable to ensure the pace of implementation is aligned with the government reforms implementation and the absorption capacity. This might mean extending the duration of the programmes, having fewer performance indicators and adjusting the TA complementary support to the capacity and willingness of beneficiary stakeholders. In the case of a lack of a reliable M&E system and weak policy monitoring, the complimentary support can be diverted to those areas, as these are critical for policy credibility and BS conditionality.

4.3 Recommendations

The following recommendations are made, presented in order of importance and with reference to the concerned stakeholders and the conclusion they relate to. The proposed recommendations can be considered in preparing the design of new interventions for the next cycle in Nepal or the consideration of EC as lessons learnt from Nepal BS implementation.

Recommendation 1 (Linked to Conclusion 1 and Lessons learnt 1).

Targeted to the EU, the MoF, and the sectoral Ministry.

For the EU Budget support programme to better deliver results, the BS indicators should be designed as realistic, smart and with due consideration of a realistic duration, for the government to be able to perform satisfactorily against them. The EU needs to ensure that the performance indicators chosen in relation to variable tranches are achievable, realistic, and measurable (for which the data is available to easily verify the performance) and are within the

competence of the government entity responsible for the action. The government institutions, responsible for the indicator performance, should be in complete control and should have substantial influence over the other implementing entities.

The following constraints that affected the impact of the EU CARD should be considered in other BS programmes (this can be through the policy dialogue, DP-government collaboration platforms and other measures): sufficient resources for policy implementation and more efficient sector/policy spending; improved coordination, monitoring and results oriented planning; M&E systems, improved implementation capacity; and policy reporting by responsible sector ministry and potentially by other implementing government entities.

For other EU BS programmes to maximise the EU added value, can consider the EU having a lead role in joint DP/GoN forums, or identifying priority areas for EU support through the policy dialogue, where higher value-added can be achieved by the EU compared.

Recommendation 2 (Linked to Conclusion 2 and Lessons learnt 2).

Targeted to the EU, the service provider contracted for complementary TA.

The EU BS programme interventions should adequately respond to emerging and changing contexts. It is important for the EU interventions to be adaptive to remain relevant when circumstances change, especially when designed to operate in uncertain and evolving contexts. Responsiveness may concern changes in tranches (reallocation between FT and VT) and VT performance indicators and adjustment of complementary TA (both duration and the scope/TOR. The BS programme log frame (including for TA intervention) should be amended to reflect the change. And the revised documents should be formally shared with concerned stakeholders. **For the BS programme to achieve greater effectiveness, it is desirable to ensure the pace of implementation is aligned with the government reforms implementation and the absorption capacity.** This might mean extending the duration of the programmes, having fewer performance indicators and adjusting the TA complementary support to the capacity and willingness of beneficiary stakeholders. **The policy dialogue should formally facilitate this process** regularly (both at strategic/political, as well as technical/operational levels). **EU communications and visibility aspects may support this process.**

Recommendation 3 (Linked to Conclusion 3 and Lessons learnt 6).

Targeted to the EU, the MoF, the sectoral Ministry, and other government implementing agencies.

For the efficiency of the EU BS programme interventions, government ownership and leadership should be emphasised and be part of the agenda in regular and formal policy dialogue. A number of factors can be raised, including coordination/collaboration mechanisms; partnerships of government agencies working together (versus in isolation/silo approach); adequate participation of other ministries in the process, accountability and clear responsibilities within the Government - who is accountable for what; the government ownership in sector policy being strong enough; to have a clear structure for managing and steering the complementary TA.

Recommendation 4 (Linked to Conclusion 4 and Lessons learnt 5).

Targeted to the EU, the service provider contracted for complementary TA.

The policy dialogue can be instrumental to help the government to better understand the BS modality and mechanisms to allocate additional funding to address the priorities and resource gap in the concerned sector. The policy dialogue should play an important role - both the operational dialogue through the TA complementary intervention and the strategic policy dialogue between the EU and the Government. More efforts should be put in the understanding of the BS modality. Government and institutional changes, including instability and external factors affecting

the operation of budget support programmes, should be carefully included in the formal policy dialogue (both at strategic and operational levels) to get policymakers' buy-in and commitment to institutional stability for policy credibility. When an implementing entity is new to budget support (which was the case with MoALD), **external support (e.g., from complementary TA) in monitoring and reporting on performance can be useful**. Specific knowledge of EU BS modalities, guidelines and experience with other programmes and lessons learnt from other BS programmes can complement and reinforce the tasks of public officials. It is recommended to use the TA to work with the sector ministry and the MoF and advise and guide them on preparing the disbursement documentation.

Recommendation 5 (Linked to Conclusion 5).

Targeted to the EU, the MoF, sectoral Ministry, other government implementing agencies, the service provider contracted for complementary TA.

The data sources, consideration of gaps, government M&E frameworks, and policy monitoring aspects should be taken into due consideration in designing the BS programme, as this can undermine policy credibility and EU BS conditionality and eligibility. In the case of a lack of a reliable M&E system and weak policy monitoring, the complimentary support can be diverted to those areas, as these are critical for policy credibility and BS conditionality. The policy dialogue (at all levels) should formally and regularly raise this issue.

Recommendation 6 (Linked to Conclusion 6).

Targeted to the EU, the MoF, sectoral Ministry, other government implementing agencies, the service provider contracted for complementary TA.

Institutional arrangements, and GoN ownership as well as the governance structure for TA accountability and steering should be resolved at the outset and ahead of BS formalisation. Steering of the complementary TA intervention by the government and other stakeholders should also be formalised. There is a need for collaboration among various projects supporting government sector policy implementation. Government and institutional changes, including instability and external factors affecting the operation of budget support programmes, should be carefully included in the formal policy dialogue (both at strategic and operational levels) to get policymakers' buy-in and commitment to institutional stability for policy credibility.

Recommendation 7 (Linked to Conclusion 7)

Targeted to the EU, the MoF, the sectoral Ministry, and other government implementing agencies.

The sustainability of BS interventions beyond the programme duration should be secured.

This can be done by linking with other EU BS interventions in Nepal such as nutrition support (extending the farmer registration system), WASH (continuity with irrigation) and local adaption to climate change with climate-smart agriculture intervention, (conservation of water, for cattle feeding, controlling the floods for the dry season, organic farming and composting) by inbuilding in VT indicators.

Stronger visibility and communication for sustainability are required in BS programme implementation. Disseminating programme achievements within the government and the public will be critical to sustaining results.

Recommendation 8 (Linked to Conclusion 8)

Targeted to the EU, the MoF, the sectoral Ministry, other government implementing agencies, the service provider contracted for complementary TA, and end beneficiaries.

For the greater effectiveness and impact of EU BS interventions (especially the TCF), consideration is required for going broader (nationwide) vs focused/intense engagement with selected entities. Going deeper adds more technical value and evidence-based learning to meet the demand of the stakeholders – both for policymakers, service delivery entities and beneficiaries – (in the CARD case - the farmer and agriculture organisations). This could cover the areas where the sector and end beneficiaries are facing knowledge gaps or challenges. The sustainable aspects should be considered in this decision, albeit the great results that can be achieved immediately in the short term.

Recommendation 9 (Linked to Conclusion 9)

Targeted to the EU, the service provider contracted for complementary TA.

The EU BS programme intervention components should not be delivered in silos and complementarities should be ensured (both during the design phase and implementation) between the BS, complementary TA support, as well as communication and visibility. The Policy dialogue should be formal, structured and frequent. The Government stakeholders' understanding of the sector performance BS modality is important. The TA and the policy dialogue can support this process by facilitating a better understanding for government stakeholders about the budget support conditionality, modality, as well as policy credibility and policy monitoring. Visibility and awareness about the TA and BS should be ensured, including among government and DP stakeholders.

Recommendation 10 (Linked to Conclusion 10).

Targeted to the EU, the MoF, sectoral Ministry, other government implementing agencies, the service provider contracted for complementary TA.

The EU BS interventions should consider the pace (and potentially the slow process) of Government reforms implementation and the government capacity (both institutional and HR), as well as absorption capacity. The EU BS programme design would rather select more realistic (and a smaller number of) indicators, considering a number of factors, including, the duration of the intervention (especially when it is short), data constraints, and accountability arrangements.

Annexes

A1. Terms of Reference of the evaluation



102-TermsOfReference-SIEA-2018-1362

A4. Evaluation Matrix

EQ1: Relevance

| Level of the Intervention Logic | EQs & sub-questions | Judgement Criteria (JC) | Indicators (Ind) | Information Sources | | Methods / Tools |
|----------------------------------|---|---|---|---------------------|-----------|--|
| | | | | Primary | Secondary | |
| STEP 1 Inputs (BS components) | EQ 1.1: To what extent was the design of the BS programme appropriate and relevant in view of the political, economic and social context in Nepal, and the government's policy framework? | JC1.1 The BS programme, including its components - financial support, TA and policy dialogue, are appropriate and relevant in view of the political, economic and social context in Nepal, and the government's policy framework. | I 1.1.1 Relevance of the design of the BS programme in view of the political, economic and social context in Nepal (federal level). | x | x | <ul style="list-style-type: none"> Primary data: interview data (stakeholder feedback). Conduct key informant interviews (KIIs), group interviews (GIs), and stakeholder consultations to collect primary data Secondary data: review of monitoring and evaluation (M&E) data and progress reports (comparative analysis of plan vs. progress), observations, budget support |
| | | | I 1.1.2 Relevance of the design of the BS programme in view of the local context and farmers needs in Nepal. | x | x | |
| | | | I 1.1.3 Relevance of the design of the BS programme in view of the government's policy framework related to ADS. | x | x | |
| | | | I 1.1.4 Relevance of the Budget Support (financial support and VTI indicators). | x | x | |
| | | | I 1.1.5 Relevance of the Budget Support policy dialogue. | | | |
| | | | I 1.1.6 Relevance of the EU technical cooperation (TA support). | x | x | |
| | | JC1.2 The expected outputs of the BS programme (direct outputs and induced outputs) are designed as appropriate and relevant to the context and the government's policy framework related to ADS. | I 1.2.1 Relevance of Output 1.1 Increased budgets for ADS and improved execution rate on capital spending. | x | x | |
| | | | I 1.2.2 Relevance of Output 1.2: Increasing capacity of implementing agencies to plan, execute and monitor progress | x | x | |
| | | | I 1.2.3 Relevance of Output 1.3: GESI mechanisms reinforcement | x | x | |
| | | | I 1.2.4 Relevance of Output 1.4: Strengthening Nutrition capacities in the sector at all levels | x | x | |
| | | | I 1.2.5 Relevance of Output 2.1 Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification. | x | x | |
| | | | | | | |

| | | | | | | |
|------------------|---|---|--|---|---|---|
| | | | I 1.2.6 Relevance of Output 2.2 Improved land management | x | x | <p>disbursement files and dossiers, national reports such as MoALD. MoF report, studies carried out by other international organisations.</p> <ul style="list-style-type: none"> • Triangulation with qualitative views/perspectives, frequent internal de-briefs, and analysis sessions during and after field data collection. |
| | | | I 1.2.7 Relevance of Output 2.3: Increasing coverage of irrigation | x | x | |
| | | | I 1.2.8 Relevance of Output 2.4: Adopting and implementing Climate Change adaptation as well as DRR measures | x | x | |
| | | | I 1.2.9 Relevance of Output 3.1: Strengthening selected value chains sub-sector – wide, in particular dairy, lentils, maize, tea and vegetables | x | x | |
| | | | I 1.2.10 Relevance of Output 4.1 Competitiveness in the sector enhanced through innovation, quality control, market infrastructure and export promotion. | x | x | |
| | | JC1.3: The expected results of EU TCF are designed as appropriate and relevant to the context and the government's policy framework related to ADS. | I 1.3.1 Relevance of Result 1: Develop and roll out a communications strategy | x | x | |
| | | | I 1.3.2 Relevance of Result 2: Governance and policies | x | x | |
| | | | I 1.3.3 Relevance of Result 3: Agricultural Planning | x | x | |
| | | | I 1.3.4 Relevance of Result 4: Monitoring and Evaluation | x | x | |
| | | | I 1.3.5 Relevance of Result 5: Human resources development | x | x | |
| | | | I 1.3.6 Relevance of Result 6: Sector Budget Support | x | x | |
| STEP 1 Inputs | EQ1.2: To what extent the BS programme was adaptive and relevant when circumstances change. | JC1.2: The BS programme was adaptive and relevant when circumstances change. | I 1.2.1 BS financial support being adaptive and relevant when circumstances change. | x | x | |
| | | | I 1.2.2 BS policy dialogue being adaptive and relevant when circumstances change. | x | x | |
| | | | I 1.2.3 EU TCF technical support being adaptive and relevant when circumstances change. | x | x | |

EQ2: Efficiency

| Level of the Intervention Logic | Evaluation questions and sub-questions | Judgement Criteria (JC) | Indicators (Ind) | Information Sources | | Methods / Tools |
|---------------------------------|--|---|---|---------------------|-----------|---|
| | | | | Primary | Secondary | |
| STEP 1 Inputs | EQ2.1: To what extent have the financial and non-financial inputs of BS programme contributed to creating new opportunities for the GoN and improved the aid framework? | JC2.1: The financial and non-financial inputs of BS programme contributed to creating new opportunities for the GoN and improved the aid framework. | I 2.1.1 Contribution of financial inputs of BS programme (financial support) | x | x | <ul style="list-style-type: none"> Primary data: interview data (stakeholder feedback). Conduct KIIs and GIs, and stakeholder consultations to collect primary data Secondary data: review of monitoring and evaluation (M&E) data and progress reports (comparative analysis of plan vs. progress), observations, budget support disbursement files and dossiers, national reports such as MoALD. MoF report, studies carried out by other international organisations. Triangulation with qualitative views/ perspectives, frequent internal debriefs, and analysis sessions during and after field data collection. |
| | | | I 2.1.2 Contribution of non-financial inputs of BS programme (technical support and policy dialogue) | x | x | |
| | | | I 2.1.3 Contribution to improved aid framework | x | x | |
| | | | I 2.1.4 Contribution to creating new opportunities for the GoN | x | x | |
| STEP 1 Inputs | EQ2.2: Which have been the determining factors of the contribution mentioned above? | JC2.2: There are a number of determining factors of the BS programme contributing to creating new opportunities for the GoN and improved the aid framework. | I 2.2.1 Determining factors of the financial inputs of BS programme to creating new opportunities for the GoN and improved the aid framework. | x | x | |
| | | | I 2.2.2 Determining factors of the non-financial inputs of BS programme to creating new opportunities for the GoN and improved the aid framework. | x | x | |
| STEP 1 Inputs | EQ2.3 To what extent has BS programme contributed to an efficient and effective policy dialogue and to well-coordinated capacity building activities, both focused on strategic government priorities? | JC2.3 BS programme contributed to an efficient and effective policy dialogue and to well-coordinated capacity building activities, both focused on strategic government priorities. | I 2.3.1 Contribution to an efficient and effective policy dialogue. | x | x | |
| | | | I 2.3.2 Contribution to well-coordinated capacity building activities. | x | x | |
| | | | I 2.3.3 Contribution to strategic government priorities. | | | |
| | | | I 2.3.4 Contribution of the intervention in timely delivery of ADS outputs. | x | x | |

EQ3: Effectiveness

| Level of the Intervention Logic | Evaluation questions and sub-questions | Judgement Criteria (JC) | Indicators (Ind) | Information Sources | | Methods / Tools |
|---|---|--|--|---------------------|-----------|---|
| | | | | Primary | Secondary | |
| STEP 1 BS direct outputs and induced outputs | EQ3.1: To what extent has the BS programme contributed to an increased size and share of agriculture funding in the government's budget process? | JC3.1: The BS programme contributed to an increased size and share of agriculture funding in the government's budget process. | I 3.1.1 - Contribution to an increased size and share of agriculture funding in the government's budget process. | x | x | <ul style="list-style-type: none"> Primary data: interview data (stakeholder feedback). Conduct KIIs and GIs, and stakeholder consultations to collect primary data Secondary data: review of monitoring and evaluation (M&E) data and progress reports (comparative analysis of plan vs. progress), observations, budget support disbursement files and dossiers, national reports such as MoALD. MoF report, studies carried out by other international organisations. Triangulation with qualitative views/perspectives, frequent internal debriefs, and analysis sessions during and |
| | | | I 3.1.2 - Contribution to an improved execution / spending rate on capital spending for ADS. | x | x | |
| STEP 1 BS direct outputs and induced outputs | EQ3.2 Have there been improvements in policy formulation and implementation processes, in the quality of the policy setting and in democratic accountability, and to what extent and through which mechanisms (flow of funds, policy and institutional effects, others) has the BS programme contributed to these improvements? | JC3.2.1 BS programme contributed to improvements in policy formulation processes, quality of the policy setting, result-oriented planning, policy implementation and coordination processes. | I 3.2.1.A Improvements in policy formulation processes. | x | x | |
| | | | I 3.2.1.B Improvements in the quality of the policy setting. | x | x | |
| | | | I 3.2.1.C Improvements in result-oriented planning | x | x | |
| | | | I 3.2.1.D Improvements in policy implementation and/or coordination processes. | x | x | |
| | | | I 3.2.1.E Improvements in democratic accountability. | x | x | |
| | | JC3.2.2 There are number of mechanisms used by the BS programme contributing to the improvements. | I 3.2.2.A Financial means (flow of funds) | x | x | |
| | | | I 3.2.2.B Policy Dialogue (policy effects) | x | x | |
| | | | I 3.2.2.C Technical Assistance (institutional effects) | x | x | |
| I 3.2.2.D Contribution through other mechanisms | | | | | | |
| STEP 1 BS direct & induced outputs | EQ3.3 How have the M&E systems improved in the Agriculture sectors? | JC3.3 The M&E systems improved in the Agriculture sectors. | I 3.3.1 Improvements in the M&E systems in the Agriculture sectors | x | x | |
| STEP 1 BS direct outputs and | EQ3.4 To what extent and through which mechanisms (funds, dialogue and TA) has budget support contributed to | JC3.4.1 The budget support contributed to strengthening local governance. | I 3.4.1.A BS contribution to strengthening local governance through the Funds | x | x | |
| | | | I 3.4.1.B BS contribution to strengthening local governance through the Dialogue | x | x | |

| | | | | | | |
|-----------------|---|---|---|---|---|------------------------------|
| induced outputs | strengthening local governance? | | I 3.4.1.B.C BS contribution to strengthening local governance through the TA | x | x | after field data collection. |
| | | | I 3.4.1.D BS contribution to strengthening local governance through other mechanism | x | x | |
| | | | I 3.4.1.E BS overall contribution to strengthening local governance | x | x | |
| | JC3.4.2 The BS programme results (induced outputs) have been achieved. | | I 3.4.2.A Achievement in induced output 2.1: Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification | x | x | |
| | | | I 3.4.2.B Achievement in induced output 2.2: Improved land management. | x | x | |
| | | | I 3.4.2.C Achievement in induced output 4.1: Competitiveness in the sector enhanced through innovation, quality control, market infrastructure and export promotion. | x | x | |
| | JC3.4.3 There are tangible achievements in BS programme results (direct outputs). | | I 3.4.3.A Increasing capacity of implementing agencies to plan, execute and monitor progress (Ref. direct output 1.2 with examples). | x | x | |
| | | | I 3.4.3.B GESI mechanisms reinforcement (Ref. direct output 1.3) | x | x | |
| | | | I 3.4.3.C Strengthening Nutrition capacities in the sector at all levels (Ref. direct output 1.4) | x | x | |
| | | | I 3.4.3.D Increasing coverage of irrigation (Ref. direct output 2.3) | x | x | |
| | | | I 3.4.3.E Adopting and implementing Climate Change adaptation as well as DRR measures (Ref. direct output 2.4) | x | x | |
| | | I 3.4.3.F Strengthening selected value chains sub-sector – wide, in particular dairy, lentils, maize, tea and vegetables (Ref. direct output 3.1) | x | x | | |

| | | | | | | |
|--|--|--|--|---|---|--|
| | | JC3.4.4 There are tangible achievements in EU TCF results. | I 3.4.4.A Achievement in Result 1: Develop and roll out a communications strategy. | x | x | |
| | | | I 3.4.4.B Achievement in Result 2: Governance and policies. | x | x | |
| | | | I 3.4.4.C Achievement in Result 3: Agricultural Planning. | x | x | |
| | | | I 3.4.4.D Achievement in Result 4: Monitoring and Evaluation. | x | x | |
| | | | I 3.4.4.E Achievement in Result 5: Human resources development. | x | x | |
| | | | I 3.4.4.F Achievement in Result 6: Sector Budget Support. | x | x | |

EQ4: Impact

| Level of the Intervention Logic | Evaluation questions and sub-questions | Judgement Criteria (JC) | Indicators (Ind) | Information Sources | | Methods / Tools |
|---|--|---|--|---------------------|-----------|--|
| | | | | Primary | Secondary | |
| Step 2: Expected and actual outcomes and impact | EQ4.1: To what extent, in the Agriculture sector, have the development outcomes (including nutrition, food security, gender and inclusive development) pursued through the policies and programmes supported by BS programme been (or are being) achieved? | JC4.1.1: The BS impact have been pursued through the policies and programmes supported by BS programme. | I 4.1.A BS impact on development outcomes in Agriculture sector | x | x | <ul style="list-style-type: none"> Primary data: interview data (stakeholder feedback). Conduct KIIs and GIs, and stakeholder consultations to collect primary data Secondary data: review of monitoring and evaluation (M&E) data and progress reports (comparative analysis of plan vs. progress), observations, budget support disbursement files and dossiers, national reports such as MoALD. MoF report, studies carried out by other international organisations. Triangulation with qualitative views/perspectives, frequent internal de-briefs, and analysis |
| | | | I 4.1.B BS impact on nutrition | x | x | |
| | | | I 4.1.C BS impact on food security | x | x | |
| | | | I 4.1.D BS impact on gender | x | x | |
| | | | I 4.1.E BS impact on inclusive development | x | x | |
| | | | I 4.1.F BS impact on poverty reduction | x | x | |
| | | | I 4.1.G BS impact on increased competitiveness | x | x | |
| | | | I 4.1.H BS impact on higher and more equitable incomes | x | x | |
| | | | I 4.1.I BS TA impact: Contribution of ADS to enhance food security and competitiveness of agriculture at provincial and local level has been accomplished. | x | x | |
| | | I 4.1.J BS financial assistance impact | x | x | | |
| | | JC4.1.2: Assumptions regarding the BS impact have been accomplished. | I 4.1.2 Sufficient resources and more efficient spending | x | x | |
| | | | I 4.1.2 Improved coordination, monitoring and results oriented planning. | x | x | |
| | | | I 4.1.2 Improved implementation capacity | x | x | |
| | | | I 4.1.2 Government has conducive policy for the private sector engagement and farmer producer organisations (FPOs) | x | x | |
| I 4.1.2 Development partner including the EU contribute to the implementation of the government prioritized programmes. | x | | x | | | |
| I 4.1.2 The EU intervention supporting ADS as a whole, and addressing the challenges through budget support, policy dialogue and technical cooperation. | x | x | | | | |

| | | | | | | |
|--|--|--|--|---|---|--|
| | | | I 4.1.2 ADS reporting by MoALMC and the Local Governments. Joint Sector Review provides valuable input to improve the agriculture sector. | x | x | sessions during and after field data collection. |
| | JC4.1.3 The BS Outcome 1: Governance has been achieved. | | I 4.1.3 Improved Governance in the sector, including coordination, planning, GESI, and Food Security | x | x | |
| | JC4.1.4 Assumptions regarding the BS Outcome 1: Governance have been accomplished. | | I 4.1.4 Higher capital expenditure and spending in the agriculture sector. | x | x | |
| | | | I 4.1.4 Yearly costed plans (for 3 to 5 years) and joint monitoring. | x | x | |
| | | | I 4.1.4 Adoption and implementation of GESI action Plan. | x | x | |
| | | | I 4.1.4 Capacity development for Nutrition. | x | x | |
| | | | I 4.1.4 Vulnerable groups benefit from ADS and malnutrition is reduced. | x | x | |
| | | | I 4.1.4 Result based planning and evidence based MEL followed. | x | x | |
| | JC4.1.5 The BS Outcome 2: Productivity have been achieved. | | I 4.1.5 Higher Productivity | x | x | |
| | JC4.1.6 Assumptions regarding the Outcome 2: Productivity have been accomplished. | | I 4.1.6 Address bottlenecks to effective and timely capital spending. | x | x | |
| | | | I 4.1.6 (Ministry of Irrigation) Improve planning and implementation readiness of investments. | x | x | |
| | | | I 4.1.6 Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs). | x | x | |
| | | | I 4.1.6 Intersectoral collaborations prevail on national priority sub-sector. | x | x | |
| | JC4.1.7 The BS Outcome 3: Commercialisation have been achieved | | 4.1.7 Increased and profitable commercialisation of agricultural products | x | x | |
| | JC4.1.8 The assumptions regarding to Outcome 3: | | I 4.1.8 Address bottlenecks to effective and timely capital spending. | x | x | |

| | | | | | | |
|--|--|---|--|---|---|--|
| | | Commercialisation have been accomplished. | I 4.1.8 (Ministry of Irrigation) Improve planning and implementation readiness of investments. | x | x | |
| | | | I 4.1.8 (Ministry of Agriculture - MoALD) Increase commercialisation of agricultural products, development of agribusiness. | x | x | |
| | | | I 4.1.8 (MoALD) Reforms to accelerate the commercialisation of agriculture, stimulate investments in agro-processing and optimise land use. | x | x | |
| | | JC4.1.9 The BS Outcome 4: Competitiveness has been achieved. | 4.1.9 Increased competitiveness | x | x | |
| | | JC4.1.10 The assumptions regarding Outcome 4: Competitiveness have been accomplished. | I 4.1.10 Reinforce agriculture extension services closer to the farmers | x | x | |
| | | | I 4.1.10 (Ministry of Agriculture – MoALD and municipalities) Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centers (CAESCs) | x | x | |
| | | | I 4.1.10 (MoALD) Active promotion of and ownership by women | x | x | |
| | | | I 4.1.10 Government harmonises sectoral policies and provide support to stakeholders | x | x | |
| | | JC4.1.11 The EU TCF outcomes has been achieved. | I 4.1.11 Awareness and ownership of the ADS strategy I 4.1.11 The governance and policy system. I 4.1.11 Planning, monitoring and evaluation. I 4.1.11 Human resource development I 4.1.11 Public finance management | x | x | |
| | | JC4.1.12 The assumptions regarding The EU TCF outcomes have been accomplished. | 4.1.12 Assumptions regarding The EU TCF outcomes have been | x | x | |

| | | | | | | |
|---------------------------------------|--|--|--|---|---|--|
| Step 2: Expected and actual outcomes. | EQ4.2 Which have been the determining factors of the BS achievement? | JC4.2.1 There are a number of determining factors of the BS impact. | I 4.2.1 - Determining factors of the BS impact. | x | x | |
| | | JC4.2.2 There are a number of determining factors of the BS outcomes. | I 4.2.2 - Determining factors of the BS outcomes. | x | x | |
| | | JC4.2.3 There are a number of determining factors of the BS TA impact. | I 4.2.3 - Determining factors of the BS TA impact. | x | x | |
| | | JC4.2.4 There are a number of determining factors of the BS TA Outcomes. | I 4.2.4 - Determining factors of the BS TA outcomes.. | x | x | |
| | | JC4.2.4 There are a number of determining factors of the BS policy dialogue. | I 4.2.5 - Determining factors of the BS policy dialogue. | x | x | |

EQ5: EU added value

| Level of the Intervention Logic | Evaluation sub-questions | Judgement Criteria (JC) | Indicators (Ind) | Information Sources | | Methods / Tools |
|---|---|---|--|---------------------|-----------|---|
| | | | | Primary | Secondary | |
| Step 2: EU BS expected and actual outcomes and impact | EQ5: To what extent the fact that the BS programme has been financed by the EU has had added benefits to what would have resulted from other Development Partners interventions only? | JC5.1: The EU BS programme has added benefits to the results from other Development Partners interventions. | I 5.1.1 - EU BS programme's added benefits in addition to those resulted from other Development Partners interventions | x | x | <ul style="list-style-type: none"> • Primary data: interview data (stakeholder feedback). Conduct KIIs and GIs, and stakeholder consultations to collect primary data • Secondary data: review of monitoring and evaluation (M&E) data and progress reports (comparative analysis of plan vs. progress), observations, budget support disbursement files and dossiers, national reports such as MoALD. MoF report, studies carried out by other international organisations. • Triangulation with qualitative views/perspectives, frequent internal de-briefs, and analysis sessions during and after field data collection. |

EQ6: Coherence

| Level of the Intervention Logic | Evaluation questions and sub-questions | Judgement Criteria (JC) | Indicators (Ind) | Information Sources | | Methods / Tools |
|---|---|---|---|---------------------|-----------|---|
| | | | | Primary | Secondary | |
| Step 2: EU BS expected and actual outcomes and impact | EQ6.1: To what extent has the BS programme been complementary and coordinated to the interventions of other Development Partners? | JC6.1: The BS programme been complementary and coordinated to the interventions of other Development Partners | I 6.1.1 EU BS programme been complementary with other DP interventions. | x | x | <ul style="list-style-type: none"> Primary data: interview data (stakeholder feedback). Conduct KIIs and GIs, and stakeholder consultations to collect primary data Secondary data: review of monitoring and evaluation (M&E) data and progress reports (comparative analysis of plan vs. progress), observations, budget support disbursement files and dossiers, national reports such as MoALD. MoF report, studies carried out by other international organisations. Triangulation with qualitative views/perspectives, frequent internal de-briefs, and analysis sessions during and after field data collection. |
| | | | I 6.1.2 EU BS programme coordinated with other DP interventions. | x | x | |
| | EQ6.2: To what extent has the BS Programme been coherent with EU policies in the sector? | JC6.2: The BS programme been coherent with EU policies in the sector | I 6.2.1 EU BS programme been coherent with EU policies in the sector. | x | x | |

EQ7: Cross-cutting issues and CSOs involvement

| Level of the Intervention Logic | Evaluation questions and sub-questions | Judgement Criteria (JC) | Indicators (Ind) | Information Sources | | Methods / Tools |
|---|---|---|--|---------------------|-----------|---|
| | | | | Primary | Secondary | |
| | | | | | | |
| Step 2: EU BS expected and actual outcomes and impact | EQ7: To what extent has the BS programme contributed to creating opportunities and strengthening the role of the Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight? | JC7.1: The BS programme contributed to creating opportunities and strengthening the role of the Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight | I 7.1.1 - Contribution to creating opportunities and strengthening the role of the Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight | x | x | <ul style="list-style-type: none"> • Primary data: interview data (stakeholder feedback). Conduct KIs and GIs, and stakeholder consultations to collect primary data • Secondary data: review of monitoring and evaluation (M&E) data and progress reports (comparative analysis of plan vs. progress), observations, budget support disbursement files and dossiers, national reports such as MoALD. MoF report, studies carried out by other international organisations. • Triangulation with qualitative views/perspectives, frequent internal debriefs, and analysis sessions during and after field data collection. |
| | | JC7.2: The BS programme contributed to gender equality and women's empowerment | I 7.1.2 - Contribution to gender equality and women's empowerment | x | x | |
| | | JC7.3: The BS programme contributed to environment and adaptation to climate change | I 7.1.3 - Contribution to environment and adaptation to climate change | x | x | |
| | | JC7.4: The BS programme contributed to relevant SDGs and their inter-linkages | I 7.1.4 - Contribution to relevant SDGs and their inter-linkages | x | x | |
| | | JC7.5: The BS programme contributed to the principle of Leave No One Behind and the rights-based approach | I 7.1.5 - Contribution to the principle of Leave No One Behind and the rights-based approach | x | x | |

A5: Reconstructed Intervention Logic

This section presents the analysis of the intervention logic of the overall CARD programme, including BS and the TA interventions. The graphic representation of the reconstructed Intervention Logic / Theory of Change is presented in Figure 1, which includes the hierarchy of results, such as outputs, outcomes and impact, and the assumptions necessary for the expected changes within the intervention, along its results chain, to happen. The reconstructed intervention logic is based on analysis of secondary sources, such as Action Document, Financing Agreement, TA contract and other reports listed in Annex 2, as well as field phase observations. This Intervention Logic and the Theory of Change was used in i) drafting the Evaluation Questions with the definition of judgement criteria and indicators, the selection of data collection tools and sources, ii) developing the evaluation methodology, and iii) planning of work for the following phases.

The EU intervention supports ADS as a whole. To address the challenges ADS faces, the EU intervention provides financial support in the form of budget support, promotes policy dialogue and has an on-demand technical cooperation facility to deliver the necessary technical assistance.

The intervention logic of the overall CARD programme is presented below in Figure 7. The intervention logic of individual BS and TA interventions falling under the programme is presented in Figure 8 in and Figure 9 respectively. Induced outputs were missing for Outcomes 1 and 2, and direct output was missing for Outcome 4. The following is proposed for those gaps in the results framework (these are highlighted in blue font colour in the figures):

- Induced output for Outcome 1: Improved capacity of stakeholders for promoting accountability and equitable opportunities.
- Induced output for Outcome 2: Sustainable/self-financing (and inclusive) value chain demonstrated at national level.
- Direct output for Outcome 4: Support with innovative tools and approaches to larger (federal level) value chain, including quality control, market infrastructure, private sector engagement, export promotion and creating enabling environment.

We have also articulated the assumptions that must hold for the Intervention to work. The following assumptions underpin the Theory of Change.

(Regarding the Impact): *IF* sufficient resources and more efficient spending is in place with improved coordination, monitoring and results oriented planning, as well as with improved implementation capacity; *IF* the government has conducive policy for the private sector engagement and farmer producer organizations (FPOs); *IF* development partner including the EU contribute to the implementation of the government prioritised programmes; *IF* the EU intervention support ADS as a whole, and address the challenges through budget support, policy dialogue and technical cooperation; *IF* the MoALD and the Local Governments report on ADS implementation and Joint Sector Review provides valuable input to improve the agriculture sector, **THEN** the EU CARD programme will contribute to poverty reduction, to food and nutrition security, to climate resilience, to the improved competitiveness of the sector generating higher and more equitable incomes in rural areas of Nepal.

Improved governance, including coordination, planning, GESI, and Food Security (**Outcome 1**) will be achieved in the sector, **IF** the GoN demonstrates ownership and commitment to the following: Higher capital expenditure and higher execution on spending in the agriculture sector; Yearly costed plans (for 3 to 5 years) and joint monitoring; Adoption and implementation of GESI action plan; Capacity development for Nutrition; Vulnerable groups to benefit from ADS and reduction of malnutrition; and Result based planning and following evidence-based MEL. This is **BECAUSE** the following direct outputs of CARD programme will result to improved capacity of stakeholders for promoting accountability and equitable opportunities: Increased budgets for ADS and improved execution rate on capital spending (DO 1.1); Increased capacity of implementing agencies to plan, execute and monitor progress (DO 1.2); GESI mechanisms reinforced (DO 1.3); and Nutrition capacities in the sector strengthened at all levels (DO 1.4).

Figure 7: Reconstructed Intervention Logic of the overall CARD programme



Higher productivity (**Outcome 2**) will be achieved in the sector, **IF** the GoN demonstrates ownership and commitment to the following: Addressing bottlenecks to effective and timely capital spending; (Ministry of Irrigation) Improving planning and implementation readiness of investments; Deployment of Agriculture Technicians at local level, as a first step towards the establishment of

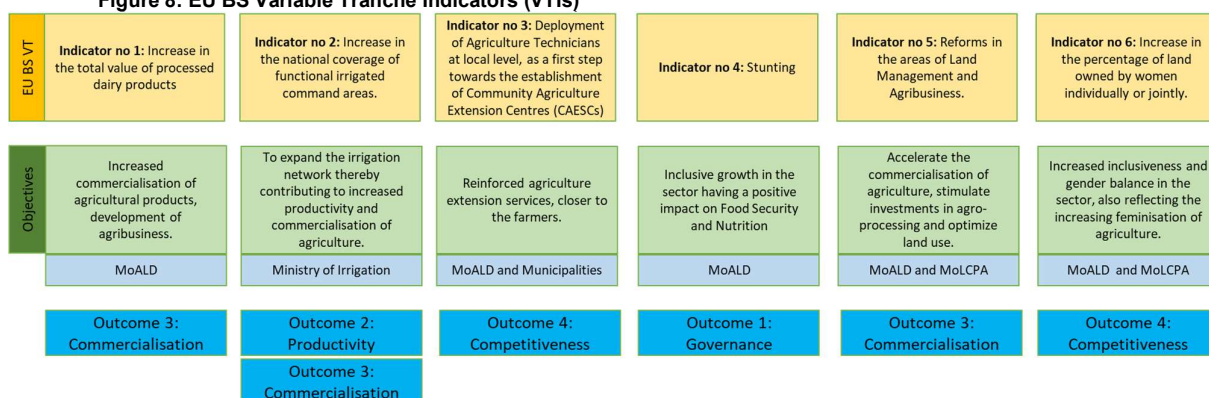
Community Agriculture Extension Centres (CAESCs); and Enabling intersectoral collaborations to prevail on national priority sub-sector. This is **BECAUSE** the following direct outputs of CARD programme: Increased coverage of irrigation (DO 2.3) and Climate Change adaptation as well as DRR measures adopted and implemented (DO 2.4) will result to the following induced outputs: Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification (IO 2.1); and Improved land management (IO 2.2).

Increased and profitable commercialisation of agricultural products (**Outcome 3**) will be achieved in the sector, **IF** the GoN demonstrates ownership and commitment to the following: Addressing bottlenecks to effective and timely capital spending; (Ministry of Irrigation) Improving planning and implementation readiness of investments; (Ministry of Agriculture - MoALD) Increasing commercialisation of agricultural products, development of agribusiness; (MoALD) Reforms to accelerate the commercialisation of agriculture, stimulating investments in agro-processing and optimising land use. This is **BECAUSE** sustainable/self-financing (and inclusive) value chain demonstrated at national level will be achieved triggered by following direct output of CARD programme: Selected value chains strengthened sub-sector –wide, in particular dairy, lentils, maize, tea and vegetables (DO 3.1).

Increased competitiveness (**Outcome 4**) will be achieved in the sector, **IF** the GoN demonstrates ownership and commitment to the following: Reinforce agriculture extension services closer to the farmers; (Ministry of Agriculture – MoALD and municipalities) Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centers (CAESCs); (MoALD) Active promotion of and ownership by women; and Harmonisation of sectoral policies and support to stakeholders. This is **BECAUSE** enhanced competitiveness in the sector through innovation, quality control, market infrastructure and export promotion will be achieved triggered by following direct output of CARD programme: support with innovative tools and approaches to larger (federal level) value chain, including quality control, market infrastructure, private sector engagement, export promotion and creating enabling environment.

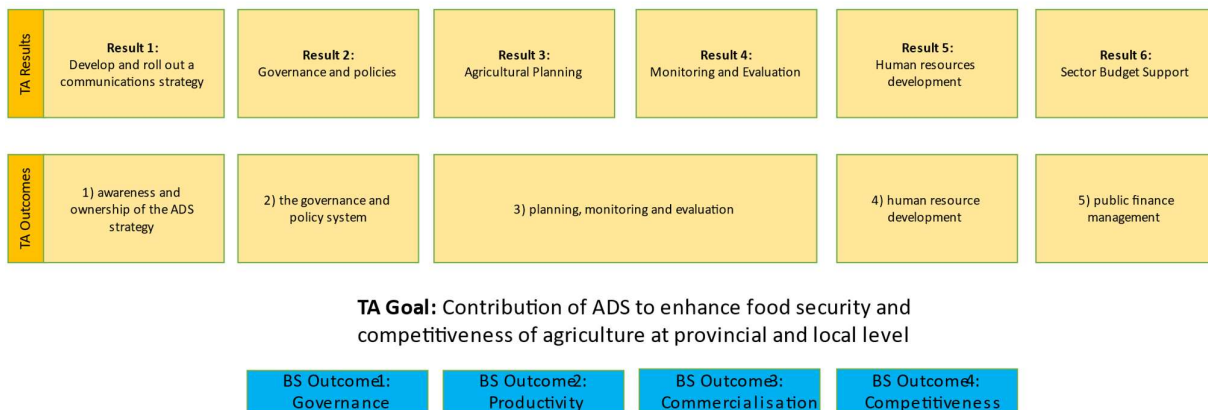
The next figure illustrates the linkage between the performance indicators of the variable tranches of the BS operation and the overall CARD programme Intervention Logic.

Figure 8: EU BS Variable Tranche Indicators (VTIs)



The next figure illustrates the linkage between the TA results framework and the overall CARD Programme Intervention Logic. The goal of the TCF was to support ADS to enhance food security and competitiveness of agriculture at provincial and local level. This was to be done through five key outcome areas of support: 1) awareness and ownership of the ADS strategy, 2) the governance and policy system, 3) planning, monitoring and evaluation, 4) human resource development, and 5) public finance management) (see the figure below). The TCF Theory of Change was developed into the Logframe to demonstrate how the TCF intervention address the root and secondary causes to achieve proposed solutions and outcomes. The TA progress report notes that the root causes of the problem analysis were manifold. There was limited public information about ADS and a low level of awareness among decision makers. Together with these weaknesses the governance system was observed as highly fragmented with limited capacity in planning and monitoring and a high turnover of senior policy makers at both federal and provincial level. These structural deficiencies were compounded by data gaps a necessary prerequisite for planning and monitoring and evaluation. As a result, policies formulated at both federal and provincial level lacked the necessary analytical studies resulting in an absence of evidence-based policies. The root causes impacted on a range of secondary causes including an absence of coordination mechanisms, weak planning unaligned with the new ADS strategy and the need for new regulations and legislation to address the governance and policy constraints. These factors contributed to the problem statement of limited awareness and ownership of the ADS and capacity to understand, plan and implement related programmes.

Figure 9: EU TCF/TCF logframe



A6. Budget analysis

Table 4: Aggregate Agriculture Sector Budget Allocation and Expenditure, FY 2020/21, in million NPR

| S.N. | Level of Government | Allocation | | Budget Expenditure | |
|--------------------------------|---------------------|-------------------|---------------|--------------------|---------------|
| | | Budget | % Share | Expenditure | % Share |
| 1 | Federal | 80,026.70 | 47.72 | 58,438.03 | 56.93 |
| 2 | Provincial | 35,674.35 | 21.27 | 26,803.06 | 26.11 |
| 3 | Local (SNG) | 52,002.59 | 31.01 | 17,415.86 | 16.97 |
| Grand Total | | 167,703.64 | 100.00 | 102,656.94 | 100.00 |
| ADS Annual Average | | 50,200.00 | | 50,200.00 | |
| % to ADS Annual Average | | 334.07 | | 204.50 | |

Source: MoF - Budget and planning Division, LMBIS, PLMBIS; FCGO - CFS - 2020/21; FCGO - SuTRA

Table 5: Agriculture Sector Budget Allocation & Expenditure - Federal Level, FY 2020/21, in million NPR

| S.N. | Ministry | Budget Allocation | | | | Budget Expenditure | | | | % Exp. |
|--------------------|---------------------|-------------------|------------------|------------------|------------------|--------------------|------------------|-----------------|------------------|--------------|
| | | Recurrent | Capital | Finance | Total | Recurrent | Capital | Finance | Total | |
| 1 | MoF financing | 499.40 | - | - | 499.40 | 754.83 | - | - | 754.83 | 151.15 |
| 2 | MoEWRI | 840.40 | 21,472.70 | - | 22,313.10 | 674.94 | 17,408.32 | - | 18,083.26 | 81.04 |
| 3 | MoALD | 26,177.40 | 3,150.20 | - | 29,327.60 | 21,238.26 | 1,768.55 | - | 23,006.80 | 78.45 |
| 4 | MoFE | 6,972.00 | 3,120.00 | - | 10,092.00 | 5,781.19 | 2,687.79 | - | 8,468.98 | 83.92 |
| 5 | MoLMCPA | 5,079.50 | 2,657.10 | - | 7,736.60 | 3,946.06 | 1,372.26 | - | 5,318.33 | 68.74 |
| 6 | MoF loan investment | - | - | 10,058.00 | 10,058.00 | - | - | 2,805.83 | 2,805.83 | 27.90 |
| Grand Total | | 39,568.70 | 30,400.00 | 10,058.00 | 80,026.70 | 32,395.27 | 23,236.92 | 2,805.83 | 58,438.03 | 73.02 |

Source: MoF - Budget and planning Division, LMBIS; FCGO - CFS - 2020/21

Table 6: MoALD Budget (2020-23), in million NPR and percentage change

| | 2077/78 (2020/21 AD) | | | 2078/79 (2021/22 AD) | | | 2079/80 (2022/23 AD) | | |
|------------------------------------|----------------------|---------|--------|----------------------|---------|--------|----------------------|---------|--------|
| | Recurrent | Capital | Total | Recurrent | Capital | Total | Recurrent | Capital | Total |
| In million NPR | | | | | | | | | |
| Federal | 26,177 | 3,150 | 29,328 | 28,693 | 3,621 | 32,314 | 44,166 | 3,994 | 48,160 |
| Provincial | 2,625 | - | 2,625 | 2,477 | - | 2,477 | 1,645 | - | 1,645 |
| Local | 5,446 | - | 5,446 | 6,309 | - | 6,309 | 6,093 | - | 6,093 |
| Total | 34,248 | 3,150 | 37,398 | 37,478 | 3,621 | 41,099 | 51,904 | 3,994 | 55,899 |
| Percentage increase (year-to-year) | | | | | | | | | |
| Federal | | | | 9.6% | 14.9% | 10.2% | 53.9% | 10.3% | 49.0% |
| Provincial | | | | -5.6% | | -5.6% | -33.6% | | -33.6% |
| Local | | | | 15.8% | | 15.8% | -3.4% | | -3.4% |
| Total | | | | 9.4% | 14.9% | 9.9% | 38.5% | 10.3% | 36.0% |

Source: MoALD

Further Information on agricultural sector financing is enclosed.



Agriculture sector
financial information

A8. Literature and documentation consulted

- EU CARD TA, Final technical report - Technical Cooperation Facility (TCF) to the Agriculture Development Strategy (ADS)
- EU CARD TA, Inception report - Technical Cooperation Facility (TCF) to the Agriculture Development Strategy (ADS)
- EU CARD TA, Interim reports
- EUD Nepal, CARD ROM, November 2020
- EUD Nepal, files and documents related to CARD Disbursements
- EUD Nepal, files and documents related to CARD Financing Agreement between the GoN and the European Union, including Action Document, FA and amendments.
- EUD Nepal, files and documents related to Joint Sector Review and reports.
- EUD Nepal, files and documents related to TA contract and reports.
- GoN, Agriculture Development Strategy Joint Sector Review Second Annual Report
- GoN, Agriculture Development Strategy, ADS 2015-2035
- GoN, Nepal Biodiversity Strategy and Action plan (NBSAP)
- GoN, Nepal food security and food sovereignty act
- GoN, Nepal SDG Status and Road Map (2016)
- GoN, Policy documents, including: the 15th five-year development plan of Nepal, the second NDC Nepal, national climate change policy.
- GoN, Final Monitoring Report on Implementation Status of ADS (2023)

A9. Answer to the Evaluation Questions, judgement criteria and indicators

The below tables are grouped by seven areas of assessment: relevance, efficiency, effectiveness, impact, EU added value, coherence, and CSO involvement/cross-cutting issues. For each area the following is covered: Steps, Evaluation Questions (EQ) and sub-questions (column 1), Judgement Criteria (column 2), Findings in respect to Judgement Criteria (column3), and Evidence and source of information (SOI) in column 4).

1: Relevance

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|---|---|--|---|
| STEP 1 Inputs (BS components) | | | |
| EQ 1.1: To what extent was the design of the BS programme appropriate and relevant in view of the political, economic and social context in Nepal, and the government's policy framework? | JC1.1 The BS programme, including its components - financial support, TA and policy dialogue, are appropriate and relevant in view of the political, economic and social context in Nepal, and the government's policy framework. | <p>1.1.1 Relevance of the design of the BS programme in view of the political, economic and social context in Nepal (federal level).</p> <ul style="list-style-type: none"> The programme (through policy dialogue, budget support and capacity building measures) is designed to support the Government of Nepal in implementing its Agriculture Development Strategy 2015-2035 (ADS), as well as to contribute to better coordinate the efforts of the various stakeholders involved (several government agencies, private and cooperative sectors and development partners) through an enhanced platform to review ADS progress. It is relevant to the context in Nepal, as it is designed to support the ADS. The ADS is the major initiative of the government to transform the agriculture sector into a competitive, sustainable, and inclusive sector that brings economic growth, improved livelihoods and job creation, as well as food and nutrition security. The ADS focuses on improved governance, higher productivity, commercialisation and increased competitiveness, while also enhancing the role of women and social inclusion of the most vulnerable. It promotes climate change adaptation. The EU intervention supported ADS as a whole, while also addressing specifically the main challenges the ADS faces, including: a) resources and spending efficiency, b) coordination, monitoring and results oriented planning, c) implementation capacity. This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal: SDG 1 "no poverty", but also promotes progress towards Goals: SDG 2 "zero hunger", SDG 5 "Gender Equality", 8 "inclusive growth/jobs", SDG 10 "reduced inequalities", SDG 13 "climate action" and 15 "Life on land". <p>1.1.2 Relevance of the design of the BS programme in view of the local context and farmers needs in Nepal.</p> <ul style="list-style-type: none"> The main stakeholders and beneficiaries of this action are the farmers and their organisations as well as the people of Nepal at large¹¹. The institutional ADS implementation framework guarantees that representatives of farmer organisations, cooperative organisations, and private sector agro-enterprise organisations as well as contributing development partners are members of the ADS key decision and coordination bodies. <p>1.1.3 Relevance of the design of the BS programme in view of the government's policy framework related to ADS.</p> <ul style="list-style-type: none"> All the indicators at outcome and impact level are drawn from the Agriculture Development Strategy targets. The steering arrangements for this programme were designed to use to the extent possible the existing institutional arrangements foreseen by ADS, in particular the National ADS Coordination Committee (NADSCC) and the ADS Joint Sector Review Committee (JSR), with its | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and accompanied documents. EU TCF contract, reports, and accompanied documentation, |

¹¹ The ADS distinguishes three categories of beneficiary groups: direct beneficiaries, the so called "small commercial farmers" group, farmers with a land size between 1 and 5 ha, representing 19.7% of rural households, as well as the subsistence farmers with a land size of 0.5-1 ha representing 26.5% of rural households, and indirect beneficiaries, the marginal farmers, having less than 0.5 ha, who account for 53.5% of rural families and are expected to benefit from intensive homestead farming as well as from employment generated by agribusiness development.

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | |
|---|-------------------------|---|-----------------------|------|----------|---|---------|---|---|---------|---|---|-------|--|---|
| | | <p>Technical core group. The intervention has also provided support to develop policy frameworks, data collection and monitoring and planning systems at provincial level (such as provincial PADS) and Monitoring & Planning systems).</p> <ul style="list-style-type: none"> The approved ADS has a 10-year action plan, a 20-year vision, and seven vision components to guide agriculture sector indicators, including self-reliance, sustainability, competitiveness, inclusion, agriculture growth, livelihoods, and food and nutrition security - each in five, 10 and 20-year increments (medium and long-term). ADS implementation has already completed five FYs (2015/16 to 2020/21). This review (2021) found limited considerations given to ADS's all 16 first five-year indicators in annual program planning exercises of agriculture projects and programs. As a result, the JSR (2021) review team encountered difficulties collecting relevant annual information on yearly trends and progress towards the ADS indicators. Nonetheless, as in previous reviews, the JSR 2021 found that investments were made, and annual outputs were delivered, around many ADS indicators over the past five FYs, even if not directly planned and intended as such.¹² Of the 16 indicators, 12 were found generally on track, four - related to food grain self-sufficiency, agricultural trade, irrigated area development, and agriculture productivity growth - were lagging. The ADS monitoring report recognized that the EUTCF contributed in ADS implementation and to support the GoN in realizing ADS priorities at all three levels of government in formulating policies, strengthening capacities, and improving coordination, with a particular focus on improving agriculture planning, monitoring and evaluation systems. The intervention has supported the promotion of relevance, effectiveness, efficiency, impact and sustainability of ADS implementation and acting as a flexible tool to respond to MoALD priorities. <p>1.1.1.4 Relevance of the Budget Support (financial support and VTI indicators).</p> <ul style="list-style-type: none"> The amount allocated for budget support is EUR 36,000,000, and for complementary support is EUR 4,000,000. The amount allocated for budget support represents 2.7% of the budget of the sector. This amount is considered adequate as a first budget support to this sector, given the possible risks related to absorption capacity and the recurrent underspending of budget in Nepal, in particular with regard to capital expenditure. The general conditions for disbursement of all tranches were as follows. 1. Satisfactory progress in the implementation of the ADS and continued credibility and relevance thereof. In particular, by the time of the first disbursement, there it was expected to be a detailed 3 to 5 years implementation plan with annual costed plans, as well as a monitoring framework with yearly targets and a joint review mechanism for ADS. 2. Satisfactory progress in the implementation of a credible stability-oriented macroeconomic policy; - Satisfactory progress in the implementation of the national PFM strategy operationalised through the PFM Reform Programme phase II of the Government of Nepal for the fiscal years 2016/17 to 2025/26, with specific progress in the implementation of the 23 Immediate Priority Actions, and with specific progress in addressing the issue of capital underspending. 3. Satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information. Budget support is provided as direct untargeted budget support to the national Treasury. The crediting of the euro transfers disbursed into Nepali Rupees are undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement. The indicators related to variable tranche disbursements were designed to support some of the expected results of ADS. The indicators were designed with the various types (input, output, outcome) targeted at national and municipal levels. <table border="1" data-bbox="548 984 1749 1206"> <thead> <tr> <th data-bbox="548 984 1062 1019">Name of the Indicator</th> <th data-bbox="1068 984 1163 1019">Type</th> <th data-bbox="1169 984 1749 1019">Comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="548 1019 1062 1092">Increase in the total value of processed dairy products</td> <td data-bbox="1068 1019 1163 1092">Outcome</td> <td data-bbox="1169 1019 1749 1092">The indicator reflects the progress achieved in transforming and commercialising dairy products, for which there is a clear potential in Nepal.</td> </tr> <tr> <td data-bbox="548 1092 1062 1141">Increase in the national coverage of functional irrigated command areas</td> <td data-bbox="1068 1092 1163 1141">Outcome</td> <td data-bbox="1169 1092 1749 1141">This is an official ADS indicator, and the targets set for this programme are those mentioned in the 14th Plan.</td> </tr> <tr> <td data-bbox="548 1141 1062 1206">Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs)</td> <td data-bbox="1068 1141 1163 1206">Input</td> <td data-bbox="1169 1141 1749 1206">This indicator is very relevant to the present federal structure where Municipalities have been given significant responsibilities with regard to agriculture.</td> </tr> </tbody> </table> | Name of the Indicator | Type | Comments | Increase in the total value of processed dairy products | Outcome | The indicator reflects the progress achieved in transforming and commercialising dairy products, for which there is a clear potential in Nepal. | Increase in the national coverage of functional irrigated command areas | Outcome | This is an official ADS indicator, and the targets set for this programme are those mentioned in the 14th Plan. | Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs) | Input | This indicator is very relevant to the present federal structure where Municipalities have been given significant responsibilities with regard to agriculture. | <p>including logframes.</p> <ul style="list-style-type: none"> GoN 2023 Monitoring on ADS Implementation |
| Name of the Indicator | Type | Comments | | | | | | | | | | | | | |
| Increase in the total value of processed dairy products | Outcome | The indicator reflects the progress achieved in transforming and commercialising dairy products, for which there is a clear potential in Nepal. | | | | | | | | | | | | | |
| Increase in the national coverage of functional irrigated command areas | Outcome | This is an official ADS indicator, and the targets set for this programme are those mentioned in the 14th Plan. | | | | | | | | | | | | | |
| Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs) | Input | This indicator is very relevant to the present federal structure where Municipalities have been given significant responsibilities with regard to agriculture. | | | | | | | | | | | | | |

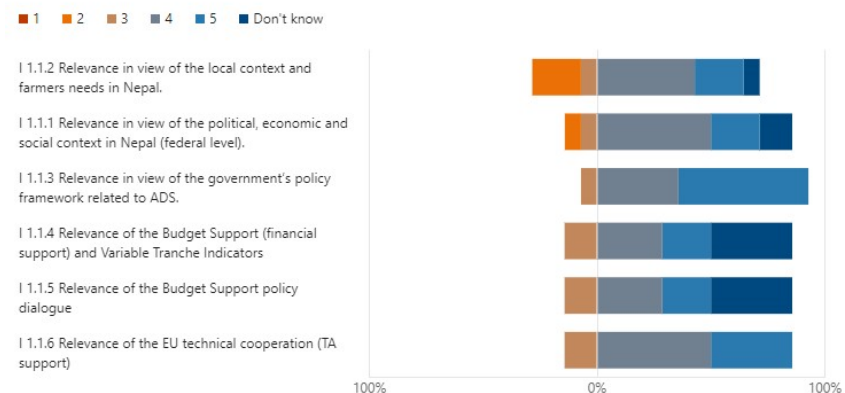
¹² For the last three years, the EU TCF to ADS has been supporting implementation of ADS in the areas of improving communications, governance, planning, monitoring and evaluation, human resource development, and public finance management.

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | | Evidence/ SOI | |
|--------------------|-------------------------|---|---------|--|--|
| | | Stunting | Outcome | This is an official ADS target. | |
| | | Reforms in the areas of Land Management and Agribusiness | Process | These reforms should accelerate the commercialisation. | |
| | | Increase in the percentage of land owned by women individually or jointly | Outcome | This is an official ADS indicator and target | |
| | | <p data-bbox="491 389 997 406"> 1.1.5 Relevance of the Budget Support policy dialogue.</p> <ul data-bbox="491 406 1801 535" style="list-style-type: none"> <li data-bbox="491 406 1801 535">• The EU Delegation is actively participating at all the sector dialogues and coordination mechanisms. The sector policy dialogue between MoALD and all involved development partners takes place in the JSR committee, chaired by the Minister of Agriculture. The JSR is designed to meet twice a year while its technical committee to meet approximately 6 times a year. DPs also coordinate their policy dialog with the government through the Development Partners Food Security Group, which, despite its name, discusses mostly agriculture and ADS. The group, chaired by USAID and co-chaired by EU, met 10 times during the FY2018/19. Further dialogue takes place bilaterally with stakeholders working in the sector. <p data-bbox="491 544 1058 560"> 1.1.6 Relevance of the EU technical cooperation (TA support).</p> <ul data-bbox="491 560 1801 782" style="list-style-type: none"> <li data-bbox="491 560 1801 782">• In addition to the budget support, a Technical Cooperation (TC) facility was established, with a mix of long term TA, short term expertise on demand and resources for training, workshops, surveys and other capacity building measures. The facility was designed to closely work with the ADS Implementation Support Unit (ADSISU) within the MoALD. The main tasks of the TC facility was designed to: a) support the roll-out of ADS. In particular this envisioned the reinforcement of ADSISU, and support to the reforms and implementation mechanisms foreseen in ADS. This included also support to coordination with other ministries and stakeholders, and facilitating policy dialogue; b) support capacity development in the ministries or other implementation agencies involved in ADS implementation and to NPC for its coordinating role; c) reinforce the monitoring and evaluation framework for ADS in the MoALD and MoLMCPA; d) strengthening of PFM in the sector, including at federal (when established) and local levels, also aiming at reinforcing audit recommendations follow up in the sector; e) offer a flexible research and short term expertise facility to support ADS, in particular with regards to emerging needs related to the federalisation; f) support in thematic areas like GESI mechanisms, extension services, greater nutrition sensitivity, resilience, DRR. | | | |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|-------------------------|---|----------------------|
| | | <p>The stakeholders consider the design of the BS programme <u>quite relevant</u> in view of the political, economic and social context in Nepal. The following feedback has been received:</p> <ul style="list-style-type: none"> The BS programme supports the whole of ADS. On paper, ADS addresses the political, economic and social challenges in the agriculture sector, especially relevant considering the social importance of agriculture (2/3 of the population involved in the sector). The TCF was formulated with this objective in mind. The need to strengthen the governance and policy environment was a crucial factor. BS supports ADS implementation at federal level, and that support was appreciable. The ADS implementation require high level of investment in key driving areas, irrigation fertiliser seed and other technology transfer processes. The EU CARD has been designed to provide support to this end. <p>The stakeholders consider the design of the BS programme <u>somewhat relevant</u> in view of the local context and farmers needs in Nepal – with around 21% percent of respondents considering low relevant. The following feedback has been received:</p> <ul style="list-style-type: none"> As the ADS is planned to address the main constraints of farmers (inputs quality and availability, issues related to commercialisation), the EU BS supporting the overall ADS strategy is thus highly relevant. The Financial Agreement was designed to be relevant to local needs, but there are no specific indicators to support this element. No idea about any program under CARD BS program directly related to the local context and the needs of the local farmers. This was quite important after post federalization governance system. As of major role of extension has been transferred to the local level, BS programme of CARD at local level was more relevant. As the government had focused the priority towards input supply (basically fertilizers, seeds) as well as market infrastructures so as to achieve the targets in variable tranches, it had direct benefits to farmers. <p>The stakeholders consider the design of the BS programme <u>highly relevant</u> in view of the government's policy framework related to ADS. The following feedback has been received:</p> <ul style="list-style-type: none"> As BS is closely aligned to ADS, which sets the overall orientation to policies in the agriculture sector. The TCF was designed to support the implementation of ADS which is the overriding framework for agricultural development. This is still relevant - as a result of the TA support. The BS relevance is also linked to food and nutrition security, agriculture commercialisation, enhancing competitiveness. The BS program was designed to help in policy awareness among the concerned stakeholders of Agriculture Sector in Nepal. ADS envisioned decentralised governance system, with diverse programs activities implementation models harmonised with ADS core framework. | <p>Online survey</p> |

EQ1.1: To what extent was the design of the Budget Support (BS) programme appropriate and relevant in view of the political, economic and social context in Nepal, and the government's policy framework?

[More Details](#)



| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|---|--|---|
| | | <ul style="list-style-type: none"> The BS VT indicators were designed so as to achieve the target as envisaged in ADS. The indicators as increased in irrigated area, agriculture commercialization, women land ownership, nutrition security were directly related to ADS indicators and policy framework. Around 86% of stakeholders consider EU TCF support being relevant. Around 50% of respondents consider EU's financial support, VT indicators and the policy dialogue to be relevant, whereas around 36% of respondents are not sure about the relevance. The following feedback has been received regarding EU financial support and VT indicators: <ul style="list-style-type: none"> Although the financial support does not represent a significant amount with regards to the size of the sectors, it opened the door to policy dialogue. Variable tranches highlighted key elements of the strategy (but where removed to address the COVID crisis). The ADS indicators selected assumed that the strategy was well recognised by policy makers and only needed to be budgeted and rolled out through the existing apparatus. The reality was that - with the establishment of the federal system - policy makers changed, and more responsibility was given to the 735 elected mayors that had no understanding of ADS and no experience in agricultural development. Decision makers at all levels had no knowledge of ADS and capacity to implement the strategy. Around 50% of respondents consider EU's financial support, VT indicators and the policy dialogue to be relevant, whereas around 36% of respondents are not sure about the relevance. The following feedback has been received regarding Relevance of the Budget Support policy dialogue: <ul style="list-style-type: none"> Policy dialogue is a key component of Budget Support. ADS discussed in the yearly joint commission EU Nepal. Policy dialogue from the TA involved at provincial and local levels. Agriculture minister of province and chief of District Coordination offices were involved in ADS policy dialogue. There was very less opportunity to policy dialogue with provincial planning commission, local level government and other concerned stakeholders. Policy Dialogue from the TA involved on Self Sufficiency on Agriculture Production in Nepal Policy Dialogue on FDI in Agriculture etc. Policy dialogues were conducted especially to prepare ADS at provincial level and agriculture planning guidelines at local level. These platforms were helpful in receiving policy feedbacks on these documents. Policy dialogue has helped in reducing the duplication of agricultural development programmes at three tiers of government. Expert service for policy dialogue at provincial level was fruitful. The following feedback has been received regarding the EU TA: <ul style="list-style-type: none"> ADS was design under the unitary system. The TA proved very relevant to bring the transformative intention of the strategy to the local level, raising awareness and supporting planning. The TA recognised the constraints on implementation of ADS - within the new federal context and was designed to address the governance/ policy and capacity development obstacles. However, the funds allocated to the TA and the timeframe set didn't match the scope of the challenge nationally. Technical support experts from the EU for the support of ADS implementation was highly relevant. | |
| | JC1.2 The expected outputs of the BS programme (direct outputs) | <p>I 1.2.1 Relevance of Output 1.1 Increased budgets for ADS and improved execution rate on capital spending.</p> <ul style="list-style-type: none"> The cost of implementing ADS during the first 10 years has been detailed by output and activity and is estimated at a total of NPR 50.2 billion per year, equivalent to about EUR 450 million annually. This includes an expected contribution of beneficiaries and private sector of around EUR 50 million, leaving the remaining EUR 400 million to be funded by the Government and donors. However, in its first year of | <p>Interview data (KIIIs and Gis)</p> <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|--|---|--|
| | and induced outputs) are designed as appropriate and relevant to the context and the government's policy framework related to ADS. | <p>implementation in the fiscal year 2016-2017 – without financial support from development partners yet- the ADS received only a budget allocation of around EUR 372 million (Ref. Action Document page 4¹³).</p> <p>I 1.2.2 Relevance of Output 1.2: Increasing capacity of implementing agencies to plan, execute and monitor progress</p> <ul style="list-style-type: none"> • The Constitution of 2015 guarantees key fundamental rights, including freedom of press, opinion and expression, as well as the right to food. However, further enhanced implementation capacity is key for the full realisation of these rights (Action document page 7). • Federalisation is expected to improve in the medium to long term the effectiveness and efficiency of implementing rural development policies and programmes, as the sub-national levels will have more autonomy to prioritise according to local specificities and needs. In the short run, implementation capacity might be affected while the reorganisation takes place. (Action document page 4). • Budget support is new in this sector, so in this regard there are no direct lessons learned. The reasons for low progress in previous sector strategies have been well analysed, and steps are foreseen to correct weaknesses, including the capacity development (Action document – page 11). • The intervention was designed to support through policy dialogue, budget support and capacity building measures the Government of Nepal in implementing its Agriculture Development Strategy 2015-2035 (ADS). The action was also designed to contribute to better coordinate the efforts of the various stakeholders involved (several government agencies, private and cooperative sectors and development partners) through an enhanced platform to review ADS progress (Action Document page 2). <p>I 1.2.3 Relevance of Output 1.3: GESI mechanisms reinforcement</p> <ul style="list-style-type: none"> • Major transversal policies identified in the ADS are on gender equality and social inclusion (GESI), with a dedicated strategy covering these issues, as well as climate change adaptation and mitigation in the agricultural sector (Action document page 4). • Since farming is becoming increasingly an activity led by women in Nepal, specific attention to their needs is paid by the ADS, including through a dedicated Gender and Social Inclusion (GESI) strategy for the ADS. The strategy foresees, in addition to administrative measures such as GESI focal points concrete objectives and milestones, like increased land ownership of women, light mechanization suitable to women and improving the gender balance in agriculture extension staff (Action document page 12). • One of the specific objectives/ outcomes of ADS is 'improved Governance in the sector in particular with regard to coordination, planning, GESI, and Food Security' and direct outputs (1.3 GESI mechanisms reinforced). • Gender Equality Act (2006) that repealed and amended 56 discriminatory provisions and incorporated other provisions to ensure women's rights. <p>I 1.2.4 Relevance of Output 1.4: Strengthening Nutrition capacities in the sector at all levels</p> <ul style="list-style-type: none"> • The country suffers a large food deficit and under-nutrition is widespread. Rural areas are also where higher levels of poverty and malnutrition are found, mainly in the West and the South of the country. The prevalence of child stunting and wasting remains generally high and at least one in three women of productive age is anaemic (Action document, page 3). • The ADS is the major initiative of the government to transform the agriculture sector into a competitive, sustainable, and inclusive sector that brings economic growth, improved livelihoods and job creation, as well as food and nutrition security. The ADS has five key strategic objectives: food and nutrition security, poverty reduction, higher and more equitable incomes, agricultural trade competitiveness and farmers' rights. • The achievement of ADS (growth) is expected to contribute significantly to poverty reduction, food security and improved nutrition (Action document page 2). • Government has endorsed Multi-Sector Nutrition Plan (MSNP, 2014) to support nutrition. <p>I 1.2.5 Relevance of Output 2.1 Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification.</p> <ul style="list-style-type: none"> • An insufficient research and extension network have prevented the agriculture sector from expanding sufficiently. Political volatility and an uncondusive business and investment climate also hindered progress (Action document page 6). • One of the induced outputs of the ADS is 'research and extension systems become more accessible to farmers and strengthen resilience; market orientation and diversification see' result chain # 2.1). | <p>including Action Document.</p> <ul style="list-style-type: none"> • EU Disbursements notes and files. • ADS Joint Sector Review (JSR) reports and accompanied documents. • EU TCF contract, reports, and accompanied documentation, including logframes. |

¹³ This document was shared by the EU office (available in the folder) (name of the file – 17-12-05 Action Document. PDF

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|-------------------------|--|---------------|
| | | <p>I 1.2.6 Relevance of Output 2.2 Improved land management</p> <ul style="list-style-type: none"> The ADS distinguishes three categories of beneficiary groups: direct beneficiaries, the so called "small commercial farmers" group, farmers with a land size between 1 and 5 ha, representing 19.7% of rural households, as well as the subsistence farmers with a land size of 0.5-1 ha representing 26.5% of rural households, and indirect beneficiaries, the marginal farmers, having less than 0.5 ha, who account for 53.5% of rural families and are expected to benefit from intensive homestead farming as well as from employment generated by agribusiness development (Action document page 5). Inclusiveness of the ADS extends to the most vulnerable, i.e., rural households which do not hold sufficient land to be self-sustainable (>0.5 ha) or are even landless. This group represents almost half of the rural population and such households often belong to the marginalised castes or ethnic groups. However, profitable cultivation is possible on small plots of land (homestead farming) and will be promoted by the ADS (Action document page 7). Diversification of production, of incomes, drought and flood resistant seeds, land protection investments and others, all measures included in the ADS, will contribute to increased resilience of farmers to the effects of Climate Change and disasters. Opportunities to develop climate-smart agricultural practices, also contributing to reducing Greenhouse Gas (GHG) emissions (current or future) from agriculture and land use change will be explored, in line with the ADS. (Action document page 12). Improved land management is one of the results related to Productivity (AD page 13). And reforms in the areas of Land Management is one of the indicators (Action document page 16) <p>I 1.2.7 Relevance of Output 2.3: Increasing coverage of irrigation.</p> <ul style="list-style-type: none"> Among many challenges that agriculture sector facing in Nepal, underperforming irrigation system is one of them (Action document page 6). ADS also prioritised irrigation sector (result related to Productivity 2.3) 'increased coverage of irrigation', <p>I 1.2.8 Relevance of Output 2.4: Adopting and implementing Climate Change adaptation as well as DRR measures</p> <ul style="list-style-type: none"> The ADS promotes climate change adaptation. One of the transversal policies identified in the ADS is climate change adaptation. A specific Climate Change adaptation plan was under preparation for ADS when the Action was prepared. Opportunities to develop climate-smart agricultural practices, also contributing to reducing Greenhouse Gas (GHG) emissions (current or future) from agriculture and land use change will be explored, in line with the ADS (Action document page 12). One of the result areas (direct outputs) within 'productivity' is (2.4) Climate change adaptation as well as Disaster Risk Reduction measures adopted and implemented (Action document page 13/22). Government has various legal and policy visions related to climate change and disasters such as environment protection act, national climate change policies, Local Adaptation Plans of Action (LAPAs), and National Determined Contribution (NDS). Government of Nepal also established a NDRRMA (National Disaster Risk Reduction Management Authority) which also include disaster related to agriculture. <p>I 1.2.9 Relevance of Output 3.1: Strengthening selected value chains sub-sector – wide, in particular dairy, lentils, maize, tea and vegetables</p> <ul style="list-style-type: none"> One of the challenges in agriculture is underdeveloped value chain and commercialization and a number of pilot projects have demonstrated that increased commercialisation and in-country value chains are possible and profitable also for small farmers. (Action document page 6). 5 value chains are prioritised under ADS (dairy, lentil, maize, tea and vegetables), the Trade programme also supports the coffee value chain (AD page 11). One of the result area (direct outputs) to commercialisation is 'Selected value chains developed and strengthened sub-sector wide, in particular dairy, lentils, maize, tea and vegetables (3.1)' (Action document page 13). <p>I 1.2.10 Relevance of Output 4.1 Competitiveness in the sector enhanced through innovation, quality control, market infrastructure and export promotion.</p> <ul style="list-style-type: none"> The ADS focuses on improved governance, higher productivity, commercialisation and increased competitiveness. The ADS has five key strategic objectives: food and nutrition security, poverty reduction, higher and more equitable incomes, agricultural trade competitiveness and farmers' rights. It pursues these objectives through outcomes in the four areas of good governance, increased productivity, profitable commercialisation and trade competitiveness. <p>One of the result area (direct output) '(4.1) Enhanced competitiveness of the agriculture sector through innovation, quality enhancement, market infrastructure and export promotion' is closely linked with ADS.</p> | |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|--|---|---|
| | <p>Around 14% of respondents are not sure about the expected outputs of the BS programme (direct outputs and induced outputs) being designed as appropriate and relevant to the context and the government's policy framework related to ADS.</p> <p>Outputs 1.1 and 1.2 are considered <u>quite relevant</u>:</p> <ul style="list-style-type: none"> 1.1 Increased budgets for ADS and improved execution rate on capital spending. 1.2 Increasing capacity of implementing agencies to plan, execute and monitor progress. <p>Outputs 1.3, 1.4, 2.1 and 4.1 are considered <u>somehow relevant</u>:</p> <ul style="list-style-type: none"> 1.3 GESI mechanisms reinforcement. 1.4 Strengthening Nutrition capacities in the sector at all levels. 2.1 Research and extension systems become more accessible to farmers and strengthen resilience,... 2.2 Improved land management. 2.3 Increasing coverage of irrigation. 2.4 Adopting and implementing Climate Change adaptation as well as DRR measures. 3.1 Strengthening selected value chains sub-sector – wide, in particular dairy, lentils, maize, tea and vegetables. <p>Whereas the other outputs are considered <u>less relevant</u>:</p> <ul style="list-style-type: none"> 2.2 Improved land management. 2.3 Increasing coverage of irrigation. 2.4 Adopting and implementing Climate Change adaptation as well as DRR measures. 3.1 Strengthening selected value chains sub-sector – wide, in particular dairy, lentils, maize, tea and vegetables. | <p>8. JC1.2: To what extent the outputs of BS programme are designed as appropriate and relevant to the context and the government's policy framework related to ADS.</p> <p>More Details</p> <p>Legend: 1 (dark orange), 2 (orange), 3 (light orange), 4 (grey), 5 (dark blue), Dont know (white)</p> <p>Outputs and their approximate distributions (from left to right):</p> <ul style="list-style-type: none"> 1.2 Increasing capacity of implementing agencies to plan, execute and monitor progress: High 5, low 1. 1.3 GESI mechanisms reinforcement: High 4, low 1. 1.4 Strengthening Nutrition capacities in the sector at all levels: High 4, low 1. 2.1 Research and extension systems become more accessible to farmers and strengthen resilience,....: High 4, low 1. 2.2 Improved land management: High 4, low 1. 2.3 Increasing coverage of irrigation: High 4, low 1. 2.4 Adopting and implementing Climate Change adaptation as well as DRR measures: High 4, low 1. 3.1 Strengthening selected value chains sub-sector – wide, in particular dairy, lentils, maize, tea and...: High 4, low 1. 4.1 Competitiveness in the sector enhanced through innovation, quality control, market infrastructure and...: High 4, low 1. 1.1 Increased budgets for ADS and improved execution rate on capital spending: High 4, low 1. | <p>Online survey</p> |
| | <p>JC1.3: The expected results of EU TA are designed as</p> | <ul style="list-style-type: none"> TA activities were designed as per the need and demand of the government such as the development of PADS and other national-level standards and directives (such as the status of marketing) They are however guided by ad-hoc demand and interest. In addition, there was no clear steering and performance assessment guideline/structure of the TA. There has been some increase in the budget in some areas where the budget is at the same level in other places (at the absolute level). The intervention contributed to capacity building and improved planning at the sub-national level. In other areas No major support for research and extension, land management and irrigation, and climate change adaptation –no idea how the BS fund is used at the national level. The goal of the TCF was to support ADS to enhance food security and competitiveness of agriculture at provincial and local level. This was to be done through five key outcome areas of support: 1) awareness and ownership of the ADS strategy, 2) the governance and policy system, 3) planning, monitoring and evaluation, 4) human resource development, and 5) public finance management), as reflected in the figure below. The root causes of the problem analysis were manifold. There was limited public information about ADS and a low level of awareness among decision makers. Together with these weaknesses the governance system was observed as highly fragmented with limited capacity in | <p>Interview data (KIIs and Gis)</p> <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision |


| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | |
|--------------------|--|---|---|--|---|---|---|---|---|-------------|--|---|---|------------------------------------|--|---------------------|---|
| | <p>appropriate and relevant to the context and the government's policy framework related to ADS.</p> | <p>planning and monitoring and a high turnover of senior policy makers at both federal and provincial level. These structural deficiencies were compounded by data gaps a necessary prerequisite for planning and monitoring and evaluation. As a result, policies formulated at both federal and provincial level lacked the necessary analytical studies resulting in an absence of evidence-based policies. The root causes impacted on a range of secondary causes including an absence of coordination mechanisms, weak planning unaligned with the new ADS strategy and the need for new regulations and legislation to address the governance and policy constraints. These factors contributed to the problem statement of limited awareness and ownership of the ADS and capacity to understand, plan and implement related programmes. The development issue was defined as building the capacity of policy makers, programme managers, and support staff to roll out the Agricultural Development Strategy at federal, provincial and local government levels.</p> <table border="1" data-bbox="499 427 1692 678"> <tr> <td data-bbox="499 427 531 532">TA Results</td> <td data-bbox="537 427 716 532"> Result 1: Develop and roll out a communications strategy </td> <td data-bbox="722 427 905 532"> Result 2: Governance and policies </td> <td data-bbox="911 427 1094 532"> Result 3: Agricultural Planning </td> <td data-bbox="1100 427 1283 532"> Result 4: Monitoring and Evaluation </td> <td data-bbox="1289 427 1472 532"> Result 5: Human resources development </td> <td data-bbox="1478 427 1692 532"> Result 6: Sector Budget Support </td> </tr> <tr> <td data-bbox="499 570 531 678">TA Outcomes</td> <td data-bbox="537 570 716 678">1. Awareness of ADS raised at all levels</td> <td data-bbox="722 570 905 678">2. ADS coordination mechanisms in place at all levels</td> <td data-bbox="911 570 1094 678">3. Policy support studies and guidelines used for policy change 4. Capacity strengthened to prepare agricultural plans</td> <td data-bbox="1100 570 1283 678">5. Capacity for M&E at local level</td> <td data-bbox="1289 570 1472 678">6. Capacity for training and technical support</td> <td data-bbox="1478 570 1692 678">7. Capacity for PFM</td> </tr> </table> <p>1.3.1 Relevance of Result 1: Develop and roll out a communications strategy</p> <ul style="list-style-type: none"> ADS also value communication that support farmers. The ADS mentioned that 'the age of communications and better education has enabled Nepali producers to learn better practices and access market information' (ADS page 7). Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. (Action document page 19) <p>1.3.2 Relevance of Result 2: Governance and policies</p> <ul style="list-style-type: none"> The ADS recognised that the failure of previous programs in agriculture could be attributed to the lack of credible and consistent policy. ADS set clear targets for improved credibility of policy commitment. Rural infrastructure delivery in Nepal, in general, has over the years been a highly influenced by national and local politics and associated governance issues. This has had very detrimental effect in the quantity and quality of delivery (ADS, page 21). The traditional way of implementing programs and plans has its own logic and rationale. However, in the traditional way coordination has been weak, partly because of the weak capacity of implementation agencies in policy formulation, integrated planning, policy monitoring, procurement, and financial management; and partly due to new dynamics arising during the process of agricultural transformation and the changing global context such as accelerated migration, dominance of global value chains, and new technologies requiring continuous innovation and adaptation (ADS document page 11). One of the outcomes of the ADS is 'improved governance' (ADS page 62). Governance in the ADS refers to the capacity of government to design, formulate and implement policies and discharge functions. In the absence of such capacity the ADS will not be implemented successfully. Key elements of governance include: accountability, participation, predictability, and transparency (ADS, page 5). The ADS focuses on improved governance, higher productivity, commercialisation and increased competitiveness. This important role of the sector is also reflected in the medium term planning documents of the government, notably the 14th Periodic Plan (2017-19), which features agriculture as a top priority. (Action document, page 3) The private and cooperative sectors will play a pivotal role in the ADS implementation through policy incentives and with representation in ADS governing bodies (AD page 4). The action will also contribute to achieving the objectives of the EU Food Security Policy Framework (2012), the Resilience Communication (2012) and the Nutrition Communication and action plan (2013-2014). (Action document page 5). Other important policies issues are related to macroeconomic policies monetary policy, subsidy policy, public financial management (PFM) and clear role and responsibility of federal, provincial and local level in managing agriculture development processes. | TA Results | Result 1: Develop and roll out a communications strategy | Result 2: Governance and policies | Result 3: Agricultural Planning | Result 4: Monitoring and Evaluation | Result 5: Human resources development | Result 6: Sector Budget Support | TA Outcomes | 1. Awareness of ADS raised at all levels | 2. ADS coordination mechanisms in place at all levels | 3. Policy support studies and guidelines used for policy change 4. Capacity strengthened to prepare agricultural plans | 5. Capacity for M&E at local level | 6. Capacity for training and technical support | 7. Capacity for PFM | <p>documents, including Action Document.</p> <ul style="list-style-type: none"> EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and accompanied documents. EU TCF contract, reports, and accompanied documentation, including logframes. |
| TA Results | Result 1: Develop and roll out a communications strategy | Result 2: Governance and policies | Result 3: Agricultural Planning | Result 4: Monitoring and Evaluation | Result 5: Human resources development | Result 6: Sector Budget Support | | | | | | | | | | | |
| TA Outcomes | 1. Awareness of ADS raised at all levels | 2. ADS coordination mechanisms in place at all levels | 3. Policy support studies and guidelines used for policy change 4. Capacity strengthened to prepare agricultural plans | 5. Capacity for M&E at local level | 6. Capacity for training and technical support | 7. Capacity for PFM | | | | | | | | | | | |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|-------------------------|--|---------------|
| | | <ul style="list-style-type: none"> • There is also a need of harmonisation and consistency of sectoral policies to support ADS. • The ADS result has been a loss of credibility in policy that is responsible in part for the failure of previous programs. In order to avoid this situation, the ADS sets clear targets for improved credibility of policy commitment, engages leading stakeholders (both from government and civil society) in the formulation and implementation, and will monitor appropriately and continuously (ADS document page 5). <p>I 1.3.3 Relevance of Result 3: Agricultural Planning</p> <ul style="list-style-type: none"> • The traditional way of implementing programs and plans has its own logic and rationale. However, in the traditional way coordination has been weak, partly because of the weak capacity of implementation agencies in policy formulation, integrated planning, policy monitoring, procurement, and financial management; and partly due to new dynamics arising during the process of agricultural transformation and the changing global context such as accelerated migration, dominance of global value chains, and new technologies requiring continuous innovation and adaptation (ADS document page 11). • The ADS also recognizes the complexity of the agricultural sector requiring coordination and effective planning among different agencies, different levels (central and local), and different stakeholders (government, civil society, development partners). Effective coordination and planning will be key outputs to achieve the governance outcome. The ADS Coordination Section with strong capacity will facilitate various institutions to implement the ADS (ADS document page 5). • The inclusion aspects of the ADS (gender, disadvantaged groups, geographically disadvantaged) will be taken into account through appropriate mechanisms that also ensure participation of stakeholders and accountability to civil society in the planning, implementation, and monitoring of the ADS (ADS document page 5). • one of the outputs (under the first outcome – improved governance) is ‘integrated planning’. <p>I 1.3.4 Relevance of Result 4: Monitoring and Evaluation</p> <ul style="list-style-type: none"> • ADS (page 20) mentioned that ‘the ADS needs to be monitored regularly, professionally, and in a participative manner. Monitoring Division and Sections will be strengthened at the Ministry and department levels and will be provided support and capacity building by the ADS Implementation Support Unit. In addition to project and program monitoring, the ADS will require regular policy monitoring’. • The MoALD focused to reinforce the monitoring and evaluation framework for ADS (Action document page 14) • One of the main activities of the BS is to ‘monitoring of implementation of agreed targets’ <p>I 1.3.5 Relevance of Result 5: Human resources development</p> <ul style="list-style-type: none"> • Limited human resources to serve large farming population and inadequately trained service providers result in poor quality of service delivery and inability to meet service demand of a large population of farmers and potential agribusiness enterprises. Currently, in the case of crops, there is one extension agent to serve approximately 2,000 farmers (ADS document page 41). • Constraints to competitiveness include poor infrastructure, weak governance, limited capacity and human resources, an overvalued exchange rate, difficulty to access credit and doing business. institutional capacity to implement policies and programs is constrained by limited size and skills of human resources (ADS document page 42/43). <p>I 1.3.6 Relevance of Result 6: Sector Budget Support</p> <p>The implementation of ADS requires a budget of more or less EUR 436 million per year, while presently the national budget can contribute EUR 372 million, leaving a gap of approximately 64 million for which donor support is necessary. Furthermore, a large number of donor funded projects are expected to end by 2018, leaving a higher funding gap in 2019-2020. The budget support of the EU will contribute to fill this gap (Action document page 14).</p> | |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|---|----|----|-----------|---|---|-----------|---|----|----|----|----|----|------|--|----|----|----|----|----|------|--|----|----|----|----|----|------|--|------|----|----|----|----|----|--|----|----|----|----|----|------|--|----|----|----|----|----|------|--|
| | | <p>Stakeholders consider most of the TA results are designed as quite appropriate and relevant, including:</p> <ul style="list-style-type: none"> Result 1: Develop and roll out a communications strategy Result 2: Governance and policies Result 3: Agricultural Planning Result 5: Human resources development <p>However, the following results are considered as less appropriate and relevant:</p> <ul style="list-style-type: none"> Result 4: Monitoring and Evaluation Result 6: Sector Budget Support <p>JC1.3: To what extent the results EU TA are designed appropriate and relevant to the context and the government's policy framework related to ADS.</p> <p>More Details</p> <table border="1"> <caption>Approximate data from the chart</caption> <thead> <tr> <th>Result</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>Dont know</th> </tr> </thead> <tbody> <tr> <td>Relevance of Result 1: Develop and roll out a communications strategy</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Relevance of Result 2: Governance and policies</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Relevance of Result 3: Agricultural Planning</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Relevance of Result 4: Monitoring and Evaluation</td> <td>100%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Relevance of Result 5: Human resources development</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Relevance of Result 6: Sector Budget Support</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The proposed result areas are based on the ADS result framework- hence relevant according to the policy framework but some of them seem to be ambitious given a short period of intervention and limited support. The intervention developed a communication strategy and supported policies, agriculture planning, M & E, and human resources development (through capacity building activities) but they were mostly patchy, thinly spread and for a short period without a clear strategy for how they are going to be implemented in the project document. No clear institutional structure is proposed to steer. | Result | 1 | 2 | 3 | 4 | 5 | Dont know | Relevance of Result 1: Develop and roll out a communications strategy | 0% | 0% | 0% | 0% | 0% | 100% | Relevance of Result 2: Governance and policies | 0% | 0% | 0% | 0% | 0% | 100% | Relevance of Result 3: Agricultural Planning | 0% | 0% | 0% | 0% | 0% | 100% | Relevance of Result 4: Monitoring and Evaluation | 100% | 0% | 0% | 0% | 0% | 0% | Relevance of Result 5: Human resources development | 0% | 0% | 0% | 0% | 0% | 100% | Relevance of Result 6: Sector Budget Support | 0% | 0% | 0% | 0% | 0% | 100% | <p>Online survey</p> <p>Interview data (KIs and Gis)</p> |
| Result | 1 | 2 | 3 | 4 | 5 | Dont know | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Relevance of Result 1: Develop and roll out a communications strategy | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Relevance of Result 2: Governance and policies | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Relevance of Result 3: Agricultural Planning | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Relevance of Result 4: Monitoring and Evaluation | 100% | 0% | 0% | 0% | 0% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Relevance of Result 5: Human resources development | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Relevance of Result 6: Sector Budget Support | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| STEP 1: Inputs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EQ1.2: To what extent the BS programme was adaptive and relevant when circumstances change. | JC1.2: The BS programme was adaptive and relevant when circumstances change. | <ul style="list-style-type: none"> The ADS was formulated while Nepal was still under the unitary governance structure. But in the changed context upon adoption of federalism, more work was needed to ensure that ADS is regarded as a national strategy of relevance to both provinces and municipalities and not a strategy prepared by federal government. The challenge was to ensure that the ADS framework is adapted and used at provincial and local government levels as well. For ADS to be effective it needed to be adapted to the different conditions of the provinces across all three tiers of government. As such it was decided in March 2021 to prepare ADS frameworks for each of the seven provinces. Within this context, a need was seen to prepare provincial agricultural development strategies (PADS) drawing on the main ADS framework but adapting it to the needs and priorities of the provinces and their different agro-ecological regions. 1.2.1 BS financial support being adaptive and relevant when circumstances change. Reallocation of the funds from VT to FT due to COVID. As part of EU's response to the COVID-19 pandemic, an addendum converting unpaid and future variable tranches to fix tranches, as well as the timing of the last two fixed tranches was countersigned on 16 October 2020. Only EUR 5,250,000 has been paid as VT from the initially planned 18,000,000. 1.2.2 BS policy dialogue being adaptive and relevant when circumstances change. | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|-------------------------|---|---|
| | | <ul style="list-style-type: none"> The main change to the policy framework since the adoption of the ADS is linked to the new Constitution of the country promulgated in 2015, which presents a three-tier structure of fiscal federalism model (federal, provincial and local governments). The ADS was developed in the context of a centralised system of governance and consequently it has been recognised that it was necessary to adjust the implementation mechanisms of the strategy to the new context. However, a clear roadmap for this is not yet established and the constant evolution of the overall legal framework is a serious challenge, in particular with regards to the full responsibilities and mandate of the local governments. With the federal system of Government, implementation responsibilities are now progressively transferred to local governments. The federal government mostly focuses on policy and regulatory frameworks, undertakes the task of monitoring sector developments, sets standards across local governments for service delivery, and provides guidelines, tools and training to local governments to improve their capacity in the execution of their new role. The federal government transfers conditional grants to the local governments to support the execution of the interventions in the sector. However, information on the actual utilisation of the various elements of the grants is not reported back to and reflected in the Treasury Single Account System, which challenges the ability of the federal government to monitor the actual use of funds. <p>Updates on some areas of policy dialogue include:</p> <ul style="list-style-type: none"> The main subjects for policy dialogue were, and continue to be, linked to the implications of federal roll-out on the agriculture sector; the execution of the annual budget (MoF and Official Development Assistance detailed fundings) and implementation plan; and technical assistance needs. Adaptation of ADS to the federal system. Priority was given to local government ADS awareness and planning capacity, aligning to national strategy. At the request of the Ministry of Agriculture, this has been the main area of focus of the EU TA. A roadmap and the adaptation of the legal framework go beyond a sectoral approach and will be addressed as part of the EU federalisation budget support operation. The JSR team was also active in the formulation of the Three Tiers Interrelations Management (TTIM) Bill. Strengthening monitoring system: the overall structure has been discussed, and a web-based architecture has been recommended. With the assistance of the EU TA team, the Ministry has further developed the concept of this new system. Strengthening of the ADS monitoring system has been stepped-up with active involvement of the EU TA. Linking allocation of conditional grant to appropriate monitoring and reporting was thought to be an incentive. <p>1.2.3 EU TA technical support being adaptive and relevant when circumstances change.</p> <ul style="list-style-type: none"> The availability of the short-term expertise was of particular importance when considering that the ADS was to be managed at national level but implemented at provincial and local levels. This implied that it must be adapted to the specific characteristics of each province of Nepal. For effective roll-out of ADS at both federal and provincial levels the governance structure was seen to be critical for effective implementation. More attention needed to be placed on conducting a capacity needs assessment of the governance structure from the outset and ensuring that budget resources are available to address shortfalls. There is still unclarity on the roles and responsibility of the three tiers of the government which has impacted on the delivery of the government services (see TA final report¹⁴ page 48). | <ul style="list-style-type: none"> ADS Joint Sector Review (JSR) reports and accompanied documents. EU TCF contract, reports, and accompanied documentation, including logframes. |

¹⁴ TA final report (22-10-03 TA final report) shared by the EU

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|-------------------------|---|---------------|-----|-----|-----------|---|---|-----------|--|----|----|----|----|----|------|--|-----|-----|-----|-----|-----|-----|---|----|----|----|----|----|------|------------------------------|
| | | <p>The stakeholders consider the BS programme was quite adaptive and relevant when circumstances change, both for financial support and TA support. However, mixed feedback is received regarding BS policy dialogue being adaptive and relevant. The following feedback has been received:</p> <ul style="list-style-type: none"> The ADS indicators selected assumed that the strategy was well recognised by policy makers and only needed to be budgeted and rolled out through the existing apparatus. The reality was that - with the establishment of the federal system - policy makers changed, and more responsibility was given to the 735 elected mayors that had no understanding of ADS and no experience in agricultural development. Decision makers at all levels had no knowledge of ADS and capacity to implement the strategy. BS helped to understand, sensitise and materialise the ADS indicators of among ADS stakeholders. Variable tranches highlighted key elements of the strategy (but where removed to address the COVID crisis). The TA has strengthened coordination among three-tiers of government to achieve ADS indicators. Considering major focus of ADS to the local level, there was some more areas to be addressed by the BS programme, for example: Deployment of Agriculture Technicians at local level. For sensitising provincial and local level agricultural policy and program development workshop and trainings The budgetary support was flexible enough to allocate on the priority area of the government which is also provisioned in foreign aid policy of Nepal. The TA to provincial ADS preparation was fruitful. Review of ADS and formulation of Provincial ADS. | Online survey | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>10. EQ1.2: To what extent the BS programme was adaptive and relevant when circumstances change.</p> <p>More Details</p>  <table border="1"> <caption>Survey Results for EQ1.2</caption> <thead> <tr> <th>Indicator</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>Dont know</th> </tr> </thead> <tbody> <tr> <td>I 1.4.1 BS financial support being adaptive and relevant</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>I 1.4.2 BS policy dialogue being adaptive and relevant</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>50%</td> </tr> <tr> <td>I 1.4.3 EU TA technical support being adaptive and relevant</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> </tbody> </table> | Indicator | 1 | 2 | 3 | 4 | 5 | Dont know | I 1.4.1 BS financial support being adaptive and relevant | 0% | 0% | 0% | 0% | 0% | 100% | I 1.4.2 BS policy dialogue being adaptive and relevant | 10% | 10% | 10% | 10% | 10% | 50% | I 1.4.3 EU TA technical support being adaptive and relevant | 0% | 0% | 0% | 0% | 0% | 100% | Interview data (KIs and Gis) |
| Indicator | 1 | 2 | 3 | 4 | 5 | Dont know | | | | | | | | | | | | | | | | | | | | | | | | | |
| I 1.4.1 BS financial support being adaptive and relevant | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |
| I 1.4.2 BS policy dialogue being adaptive and relevant | 10% | 10% | 10% | 10% | 10% | 50% | | | | | | | | | | | | | | | | | | | | | | | | | |
| I 1.4.3 EU TA technical support being adaptive and relevant | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |

2: Efficiency

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---------------|-----------|------|-------|-----------|--|--|-----|------|-------|-----|-----|-------|--|------|------|------|------|------|------|--|------|------|-----|------|---|----|--|------|------|------|------|---|----|-------------|------|---|----|------|------|------|---|------|------|------|------|------|-----|--|------|---|----|------|------|------|--|
| STEP 1: Inputs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EQ2.1: To what extent have the financial and non-financial inputs of BS programme contributed to creating new opportunities for the GoN and improved the aid framework? | JC2.1: The financial and non-financial inputs of BS programme contributed to creating new opportunities for the GoN and improved the aid framework. | <p>Contribution of financial inputs of BS programme (financial support)</p> <ul style="list-style-type: none"> Total estimated cost: EUR 40 000 000. Total amount of EU budget contribution EUR 40 000 000 of which EUR 36 000 000 for budget support and EUR 4 000 000 for complementary support. Delays in last tranche payment. The period of implementation of the Financing Agreement ended on 28 June 2022. And there have been delays in disbursement of the entire 4th tranche of EU BS support to CARD. This is because it was not possible to complete the monitoring exercise of ADS, and to analyse its results. The documentation provided from the GoN to EU was not sufficient to assess the credibility of the Agriculture Development Strategy (first general condition of the Financing Agreement), and consequently to process the payment of the last fixed tranche by the initial deadline. Further delays and failure to do so will result in the loss of the payment. EU payment files (for both years) note that The MoALD and other Ministries concerned with the variable tranche indicators achieved good overall progress towards the specific targets defined for the release of the first and second variable tranche. Nevertheless, each year one target is only partially met and two are not met (either because a very limited result was achieved or because the claimed achievement could not be verified with confidence). The VT disbursement rate was 58% both for in Q2 2019 (1,750,000/ 3,000,000) and in Q3 2020 (3,500,000/6,000,000), which is 29% for the entire planned amount (5,250,000/18,000,000). In year 1 - 2019, of the six variable tranche indicators targets, two were not met (stunting and percentage of land owned by women) and one was only partially met (irrigation expansion). In year 2- 2020, of the six variable tranche indicators targets, two were not met (irrigation expansion and deployment of agricultural technicians at local level) and one was only partially met (reforms in the areas of land management and agribusiness). This has resulted in a reduction of the payment by a) EUR 1,250,000 (EUR 1,750,000 paid instead of the planned EUR 3,000,000) in Year 1 and b) EUR 2,500,000 (EUR 3,500,000 paid instead of the planned EUR 6,000,000) in Year 2. The progresses are presented in the following table. <table border="1" data-bbox="569 732 1707 1117"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Y1 (2019)</th> <th colspan="3">Y2 (2020)</th> </tr> <tr> <th>3.0</th> <th>1.75</th> <th>58.3%</th> <th>6.0</th> <th>3.5</th> <th>58.3%</th> </tr> </thead> <tbody> <tr> <td>1. Increase in the total value of processed dairy products</td> <td>0.50</td> <td>0.50</td> <td>100%</td> <td>1.00</td> <td>1.00</td> <td>100%</td> </tr> <tr> <td>2. Increase in the national coverage of functional irrigated command areas</td> <td>0.50</td> <td>0.25</td> <td>50%</td> <td>1.00</td> <td>-</td> <td>0%</td> </tr> <tr> <td>3. Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs)</td> <td>0.50</td> <td>0.50</td> <td>100%</td> <td>1.00</td> <td>-</td> <td>0%</td> </tr> <tr> <td>4. Stunting</td> <td>0.50</td> <td>-</td> <td>0%</td> <td>1.00</td> <td>1.00</td> <td>100%</td> </tr> <tr> <td>5. Reforms in the areas of Land Management and Agribusiness</td> <td>0.50</td> <td>0.50</td> <td>100%</td> <td>1.00</td> <td>0.50</td> <td>50%</td> </tr> <tr> <td>6. Increase in the percentage of land owned by women individually or jointly</td> <td>0.50</td> <td>-</td> <td>0%</td> <td>1.00</td> <td>1.00</td> <td>100%</td> </tr> </tbody> </table> <p>Contribution to improved aid framework</p> <ul style="list-style-type: none"> The JSR review also assessed the progress on the issues and recommendations identified during the JSR meetings. JSR mentioned a “need for Development Partners (DPs) to align their support to the ADS outputs and outcomes: all projects reviewed state that they are designed to support the ADS and they effectively contribute to some outputs/outcome of the ADS. However, their activities do not follow the structure of the ADS, making the assessment of their contribution to ADS achievement difficult to measure.” (ref EU Disbursement note 2020) <p>Contribution to creating new opportunities for the GoN</p> | | Y1 (2019) | | | Y2 (2020) | | | 3.0 | 1.75 | 58.3% | 6.0 | 3.5 | 58.3% | 1. Increase in the total value of processed dairy products | 0.50 | 0.50 | 100% | 1.00 | 1.00 | 100% | 2. Increase in the national coverage of functional irrigated command areas | 0.50 | 0.25 | 50% | 1.00 | - | 0% | 3. Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs) | 0.50 | 0.50 | 100% | 1.00 | - | 0% | 4. Stunting | 0.50 | - | 0% | 1.00 | 1.00 | 100% | 5. Reforms in the areas of Land Management and Agribusiness | 0.50 | 0.50 | 100% | 1.00 | 0.50 | 50% | 6. Increase in the percentage of land owned by women individually or jointly | 0.50 | - | 0% | 1.00 | 1.00 | 100% | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and accompanied documents. EU TCF contract, reports and accompanied documentation. |
| | Y1 (2019) | | | Y2 (2020) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.0 | 1.75 | 58.3% | 6.0 | 3.5 | 58.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Increase in the total value of processed dairy products | 0.50 | 0.50 | 100% | 1.00 | 1.00 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Increase in the national coverage of functional irrigated command areas | 0.50 | 0.25 | 50% | 1.00 | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs) | 0.50 | 0.50 | 100% | 1.00 | - | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Stunting | 0.50 | - | 0% | 1.00 | 1.00 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Reforms in the areas of Land Management and Agribusiness | 0.50 | 0.50 | 100% | 1.00 | 0.50 | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Increase in the percentage of land owned by women individually or jointly | 0.50 | - | 0% | 1.00 | 1.00 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <ul style="list-style-type: none"> The development of Provincial ADSs in all seven provinces, prepared under the guidance of the provincial MoLMAC offices. This has ensured a full and complete ownership of these documents in contrast to the original ADS. The PADS also required the establishment of a database for planning at provincial level – an asset that was lost with the shift to federalisation. Finally, PADS has also given the provincial government with a framework for the formulation of new and revised provincial policies, regulations, directives and guidelines. There have been other accomplishments – the design and implementation of the farmer registration process, policy level support studies and policy briefs all of which contributed to the same result recommendations made for improving the budgetary processes and implementation modalities of the agricultural system as a whole (the TA final report page 46). Another accomplishment has been the improved use of budget allocations for agriculture related activities by provincial agencies and municipalities as a result of lobbying and advocacy related activities initiated by the TCF (the TA final report page 53). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|-----------------------------------|----|----|------------|---|---|------------|--|----|----|----|----|----|------|--|----|----|----|----|----|------|--|----|----|----|----|----|------|--|----|----|----|----|----|------|---------------|
| | | <p>The EU BS contribution to improved aid framework and to creating new opportunities for the GoN is considered moderate by stakeholders, with around 20% of respondents not being clear about the extent of contribution. The contribution of non-financial inputs of BS programme (technical support and policy dialogue) is considered significant by around 65% of respondents. Whereas the contribution of financial inputs of BS programme (financial support) is considered significant by 50% of respondents.</p> <table border="1"> <caption>Contribution of BS programme inputs</caption> <thead> <tr> <th>Contribution Category</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>Contribution of non-financial inputs of BS programme (technical support and policy dialogue)</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Contribution of financial inputs of BS programme (financial support)</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Contribution to improved aid framework</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Contribution to creating new opportunities for the GoN</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> </tbody> </table> | Contribution Category | 1 | 2 | 3 | 4 | 5 | Don't know | Contribution of non-financial inputs of BS programme (technical support and policy dialogue) | 0% | 0% | 0% | 0% | 0% | 100% | Contribution of financial inputs of BS programme (financial support) | 0% | 0% | 0% | 0% | 0% | 100% | Contribution to improved aid framework | 0% | 0% | 0% | 0% | 0% | 100% | Contribution to creating new opportunities for the GoN | 0% | 0% | 0% | 0% | 0% | 100% | Online survey |
| Contribution Category | 1 | 2 | 3 | 4 | 5 | Don't know | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contribution of non-financial inputs of BS programme (technical support and policy dialogue) | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contribution of financial inputs of BS programme (financial support) | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contribution to improved aid framework | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contribution to creating new opportunities for the GoN | 0% | 0% | 0% | 0% | 0% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <ul style="list-style-type: none"> increased knowledge base/awareness at the local level (through TA-managed workshops and training). TA supported an improved level of planning at the sub-national level. Supported new ideas/approaches such as farmer registration. Increased engagement and collaboration with the DPs. But no major improvement increasing financial allocation and difficulty to assess the performance without data | Interview data (Kilis and Gis) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EQ2.2: Which have been the determining factors of the contribution mentioned above? | JC2.2: There are a number of determining factors of the BS programme contributing to creating new opportunities for the GoN and improved the aid framework. | <p>No data available from the secondary sources.</p> <p>The following feedback has been received regarding the contribution of financial inputs of BS programme (financial support)</p> <ul style="list-style-type: none"> As per the aid framework, the budgetary support is on top priority and very much needed by the GoN. There is still an increased need of investment in agriculture – both from the private sector and from the GoN contribution. Provisioning of ADS JSR created a forum to discuss the aid modalities. The EU CARD provided opportunity for farmers registration at local levels that improve the subsidy policy formulation framework. Among four major pillars of ADS document, the governance and the productivity increment were the major focus of the BS programme. The BS programme had focused to the planning process through the capacity building of the local level technicians as per the ADS document. However, no obvious and tangible opportunity resulted from the financial inputs in ADS implementation. There were no reported special effort in achieving the variable tranches while they were still in place. <p>The following feedback has been received regarding contribution of non-financial inputs of BS programme (technical support and policy dialogue):</p> <ul style="list-style-type: none"> The TA was key is the efforts to bring the reforms to the local level. The TA programme that created awareness of ADS at all levels, developed capacities, supported the policy framework and focused on improving coordination between sectors, donor agencies, as well as the three tier governance system. Technical expert at provincial ministry supported to develop various activities related to agriculture planning. TA part adopted flexible and adaptive intervention design based on changing context and responding to the need to Government of Nepal. For example, Initiation of farmers' registration software, which was not included initially. | Secondary source Online survey | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

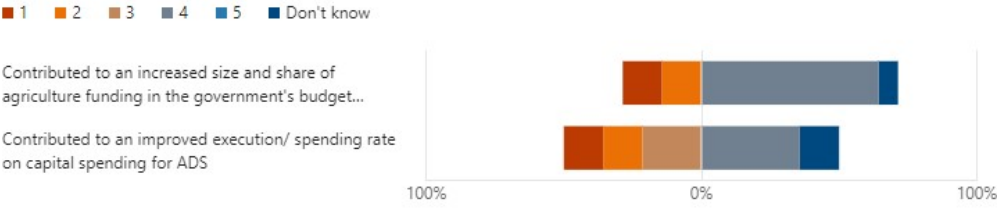
| | | | |
|--|---|--|---|
| | | <ul style="list-style-type: none"> • Overwhelming awareness was created in almost local levels, the implication is the improvement of planning process and planned document of the local levels. • The TA has covered the gaps due to lack of experienced technical manpower at local and provincial level. • Capacity build up, coordination and monitoring. | |
| | | <ul style="list-style-type: none"> • increasing awareness at the local level • Supported planning process and capacity building at the local level • cater for the need of provinces such as the development of PADS • the intervention remains flexible to the demand of the government such as during COVID (change from VT to FT) • Good level of DP engagement / supporting JSR process • But the assumptions on which the intervention was designed were partially held and there was no regular assessment process created and review carried out during project implementation • Support in M & E was at a nascent level / there was no adequate data related to intervention and ADS | Interview data (KIs and Gis) |
| EQ2.3 To what extent has BS programme contributed to an efficient and effective policy dialogue and to well-coordinated capacity building activities, both focused on strategic government priorities? | JC2.3 BS programme contributed to an efficient and effective policy dialogue and to well-coordinated capacity building activities, both focused on strategic government priorities. | <p><u>Contribution to an efficient and effective policy dialogue.</u></p> <ul style="list-style-type: none"> • Through a consultative process and dialogues, the intervention supported in developing policy frameworks at different level of the governments. • The TCF addressed the outcome by responding to requests for support on policy related issues – on a demand basis - from the federal and provincial governments. Efforts were made to contribute through studies and by providing regular input for informed and evidence-based policy making (TA final report page 34). • The TCF provided assistance in development of (draft) new agriculture policy (NAP -2022). The TCF supported MoALD to review and revise some of the policies and align them to the country's current needs and changed governance context. The revised policy is regarded by government as critical to create the enabling environment to transform the agriculture sector, increase production and productivity and promote commercialization of priority value chains. (TA final report page 35). • The TCF prepared a series of policy/ programme related documents: Institutional mapping; post- COVID recovery concept note; a project profile for the absorption of returnee migrants; a rice policy study; a synthesis report on publications of urea application for rice; a seed sector development: review and analysis – Lumbini province; a review of international standards for organic and biofertilizers; an organic agriculture policy for Karnali province; a report on agricultural advisory services at national level; a status report on agricultural marketing for Madhesh province; the preparation of a social and environment safeguards assessment for the World Bank funded, REED project; the design and operationalization of a buy-back guarantee scheme for rice and vegetables; an Animal Health Bill for Sudurpaschim province; an Agri-business policy for Karnali province; and a series of policy briefs. Based on a detailed study entitled 'Agricultural Extension in Nepal Under the Federal System' a draft extension policy and a strategy document were prepared to serve as reference for the policy revision process. (TA final report page 35). • The Policy Briefs were prepared as knowledge products aimed at providing an overview on varied topics with reviews of issues, practices, regulatory frameworks, strengths, challenges and national/international experience. such as Revitalizing agriculture advisory services; Community Based Extension Service Centres; Price Support Instruments; and Mechanization hire services (TA final report page 35). • The TCF supported the provincial MoLMACs to prepare various agriculture and livestock related sectoral and sub-sectoral policies that reflected the needs and opportunities of the provinces (example – Province 1: State Agribusiness Promotion Grant Act, 2077; Province 2: Province Dairy Development Board Establishment and Management Act-2077; Lumbini province: Seed Act 2075, Fertilizer Act 2075, Feed Act 2075, Animal Health and • Livestock service Act 2075, Slaughterhouse and Meat Inspection Act 2075; Cooperative Act 2076; and Gandaki province: Provincial Agribusiness Act 2075, Dairy Development Act 2075 and Cooperative Act 2075) (TA final report page 35). • In addition, the TCF also supported development of guidelines and directives within the MoALD. <p><u>Contribution to well-coordinated capacity building activities.</u></p> <ul style="list-style-type: none"> • A comprehensive capacity needs assessment study was carried along the three tiers of the government with a particular focus on the provincial and local government to implement the strategies and plans as defined by the ADS. Based on the results of the capacity needs assessment, a multi-annual capacity development plan was produced, identifying relevant areas/skills to be enhanced with recommendations on priority issues to be addressed. The plan is incorporated as part of the capacity needs assessment study (TA final report page 44). | Secondary data review, including: <ul style="list-style-type: none"> • BS Financing Agreement and decision documents, including Action Document. • EU Disbursements notes and files. • ADS Joint Sector Review (JSR) reports and accompanied documents. • EU TCF contract, reports and accompanied documentation. |

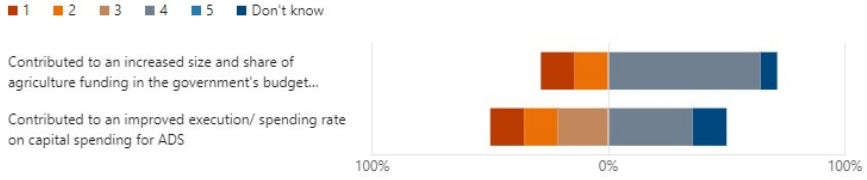
| | <ul style="list-style-type: none"> The TCF also conducted various formal training and on-the job coaching for government officials. These include the ToT on agriculture development planning for resource persons pooled from the provincial MoLMACs and their subsidiary institutions. The training primarily covered the topics of planning, monitoring and evaluation. Altogether 54 officials across all the provinces participated (TA final report page 44). The ADS TCF drafted training materials for agribusiness development and compiled agribusiness resource materials. The training materials comprise composite business plan preparation, market assessment, and the preparation of small scale agro-industry feasibility studies (TA final report page 44). See also detailed in JC3.4.4 There are tangible achievements in EU TA results (and specifically in I 3.4.4.E Achievement in Result 5: Human resources development). <p>Contribution to strategic government priorities.</p> <ul style="list-style-type: none"> Support provided to ADS strategic framework of ADS (ADS page 59) and the goal (impact area) which consist of the five dimensions of increased food and nutrition security, poverty reduction, competitiveness, higher and more equitable income of rural households, and strengthened farmers' rights. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------|--|--------------------------------------|-----|-----|-----|------------|---|------------|---------|-----|-----|-----|-----|-----|-----|---------|-----|-----|-----|-----|-----|-----|---------|-----|-----|-----|-----|-----|-----|---------|-----|-----|-----|-----|-----|-----|--|
| | <ul style="list-style-type: none"> The contribution to an efficient effective policy dialogue is considered significant by 50% respondents. The contribution to well-coordinated capacity building activities is considered significant by around 70% of respondents. The contribution to strategic government priorities is considered significant by around 60% of respondents. The contribution of the intervention in timely delivery of ADS outputs is considered significant by around 50% of respondents. Meanwhile, around 7% of respondents are not clear about the extent of contribution. <div style="display: flex; align-items: flex-start;"> <div style="flex: 1;"> <p>Legend: 1 (orange), 2 (light orange), 3 (light blue), 4 (medium blue), 5 (dark blue), Don't know (grey)</p> <p>I 2.3.1 Contribution to an efficient and effective policy dialogue.</p> <p>I 2.3.2 Contribution to well-coordinated capacity building activities.</p> <p>I 2.3.3 Contribution to strategic government priorities.</p> <p>I.2.3.4 Contribution of the intervention in timely delivery of ADS outputs.</p> </div> <div style="flex: 2;"> <table border="1"> <caption>Approximate data from the stacked bar chart</caption> <thead> <tr> <th>Category</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>I 2.3.1</td> <td>15%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>45%</td> </tr> <tr> <td>I 2.3.2</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>50%</td> </tr> <tr> <td>I 2.3.3</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>50%</td> </tr> <tr> <td>I.2.3.4</td> <td>15%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>45%</td> </tr> </tbody> </table> </div> </div> | Category | 1 | 2 | 3 | 4 | 5 | Don't know | I 2.3.1 | 15% | 10% | 10% | 10% | 10% | 45% | I 2.3.2 | 10% | 10% | 10% | 10% | 10% | 50% | I 2.3.3 | 10% | 10% | 10% | 10% | 10% | 50% | I.2.3.4 | 15% | 10% | 10% | 10% | 10% | 45% | <p>and of</p> <p>Online survey</p> |
| Category | 1 | 2 | 3 | 4 | 5 | Don't know | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I 2.3.1 | 15% | 10% | 10% | 10% | 10% | 45% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I 2.3.2 | 10% | 10% | 10% | 10% | 10% | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I 2.3.3 | 10% | 10% | 10% | 10% | 10% | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I.2.3.4 | 15% | 10% | 10% | 10% | 10% | 45% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <ul style="list-style-type: none"> the intervention carried out sub-national level policy dialogues the intervention provided capacity-building support through various workshops and training (in planning, monitoring and other ADS-related activities) Some policy frameworks are also revised and/or developed at the provincial level There were some discussions (although it was not named as policy dialogues) at the national level but they are in structure, and neither they are formalized. | <p>Interview data (KIIs and Gis)</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

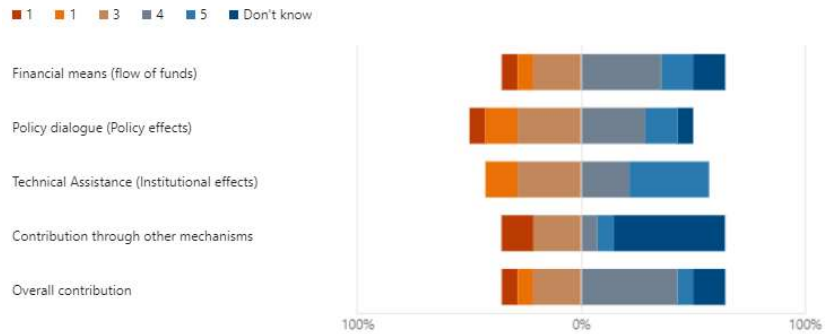
3: Effectiveness

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | |
|--|---|--|---------------|---------------|------|-------|------------------------|----------|------|------|------------------------|--------------|------|------|-------------------------|--------------|------|-----|--|--|------|-----|--|
| STEP 1: BS direct & induced outputs | | | | | | | | | | | | | | | | | | | | | | | |
| EQ3.1: To what extent has the BS programme contributed to an increased size and share of agriculture funding in the government's budget process? | JC3.1: The BS programme contributed to an increased size and share of agriculture funding in the government's budget process. | <p data-bbox="527 316 1430 339">Contribution to an increased size and share of agriculture funding in the government's budget process.</p> <ul data-bbox="527 339 1793 480" style="list-style-type: none"> <li data-bbox="527 339 1793 431">• The implementation of ADS requires a budget of more or less EUR 436 million per year, while presently the national budget can contribute EUR 372 million, leaving a gap of approximately 64 million for which donor support is necessary. Furthermore, a large number of donor funded projects are expected to end by 2018, leaving a higher funding gap in 2019- 2020. The budget support of the EU contributes to fill this gap. <li data-bbox="527 431 1793 480">• (Ref. ROM 2020). The results have not been independently verified, for example by an external evaluation or a ROM Review. The indicator is not included in the variable tranche indicators or in the list of the ADS vision indicators, therefore it is not systematically measured. <p data-bbox="527 480 1276 503">• Indicator: % of national budget going to Ministry of Agriculture. Target met: N/A</p> <table border="1" data-bbox="569 503 1677 672"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>3.80</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2020</td> <td>4.20</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2020</td> <td>N/A</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>N/A</td> </tr> </tbody> </table> <ul data-bbox="527 672 1793 1227" style="list-style-type: none"> <li data-bbox="527 672 1793 813">• (Ref JSR 2021 report page 19). The trend over the last three FYs shows annual increases in budget allocation for agriculture by nine percent over previous FYs (2019/20-2021/22), which accounts for two-to-three percent of the total national budget of NRs. 1,647,576 million. In total, NRs.136,925 million was allocated to the agriculture sector over a five-year period (2017/18-2021/22), which is more than 50 percent less than the ADS estimates of NRs. 277,491 million for the first five-years (ADS Part I, 2015:153). However, at this stage, it is less clear as to what proportion of the line ministries' budget is supporting the ADS outputs. Of the total MOALD budget, about 12 percent is for capital and the rest is for recurrent expenditure. <li data-bbox="527 813 1793 883">• (JSR 2021 report) Agribusiness GDP is perceived to have increased by 9.78%¹⁵ in FY2020/21, given govt.'s high priority in agribusiness development, although there is no mechanism to annually monitor progress (page 8). Although the allocation of budget for agriculture has increased in recent years at all three levels, the actual amounts have not notably increased (page 14). <li data-bbox="527 883 1793 1000">• (TA progress report). The trend over the last three fiscal years shows a regular increase in the budget for agriculture, with an annual increase of 9% over the previous fiscal year (2019-20-2021/22) which represents around 2% of the total national budget of Rs. 1,647,576 million. In total, Rs. 136,925 million has been allocated to the agriculture sector over a five-year period (2017/18-2021/22) which appears to be more than 50% less than the estimated Rs. 277,491 million given in the ADS reports for the first five years of operations (ADS Part I, 2015:153). <li data-bbox="527 1000 1793 1092">• Moreover, some of the ADS outputs and costs for the activities are complemented by other line ministries such as the Ministry of Forest and Soil Conservation (MoFSC), the Ministry of Energy, the Ministry of Water Resources and Irrigation (MoWERI) and the Ministry of Land Reform, Cooperatives and Poverty Alleviation. However, at this stage, it is less clear as to what proportion of these ministries' budget is supporting the ADS outputs. <li data-bbox="527 1092 1793 1227">• Another issue for Nepal is whether the development stakeholders – government, private, cooperative and farmers – have the absorptive capacity for increased spending in agricultural development as a result of the adoption of federal governance system. Effective governance is a critical factor for this. ADS prioritized governance, including strengthened mechanisms for coordination at all levels and amongst stakeholders. As mentioned before the governance system as it currently exists inhibits effective planning and monitoring processes to the detriment of achievement of the ADS performance/ impact targets. The need to improve absorptive capacity is apparent, in particular, in all provinces. | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 3.80 | January 2020 (Round 6) | Final Target | 2020 | 4.20 | November 2020 (Round 7) | Actual Value | 2020 | N/A | | | 2021 | N/A | <p data-bbox="1827 316 1976 339">Secondary data review, including:</p> <ul data-bbox="1827 339 2011 873" style="list-style-type: none"> <li data-bbox="1827 339 2011 524">• BS Financing Agreement and decision documents, including Action Document. <li data-bbox="1827 524 2011 594">• EU Disbursements notes and files. <li data-bbox="1827 594 2011 735">• ADS Joint Sector Review (JSR) reports and accompanied documents. <li data-bbox="1827 735 2011 758">• ROM 2020 <li data-bbox="1827 758 2011 873">• EU TCF contract, reports and accompanied documentation. |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 3.80 | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2020 | 4.20 | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2020 | N/A | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | N/A | | | | | | | | | | | | | | | | | | | | |

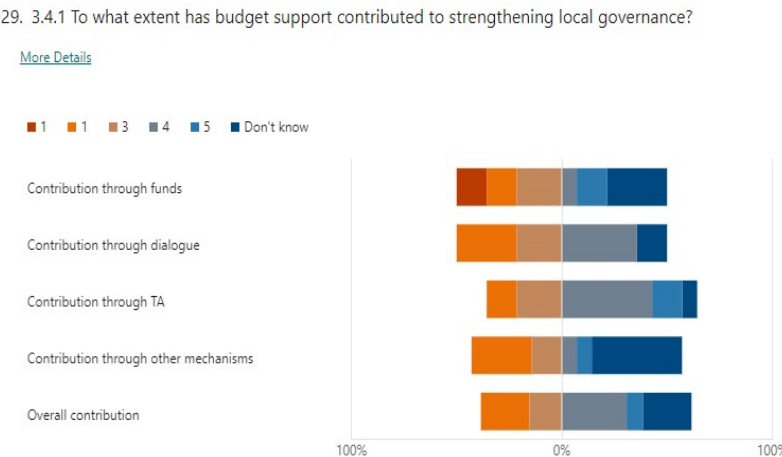
¹⁵ JSR team's estimates based on the AGDP share of tea, vegetables, milk, poultry, meat, and eggs.

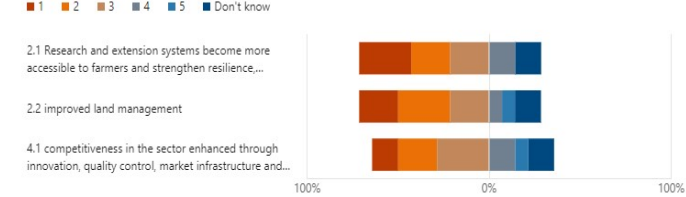
| | | <p>I 3.1.2 Contribution to an improved execution / spending rate on capital spending for ADS.</p> <ul style="list-style-type: none"> (Ref. ROM 2020). The results have not been independently verified, for example by an external evaluation or a ROM Review. The indicator is not included in the variable tranche indicators or in the list of the ADS vision indicators, therefore it is not systematically measured. Indicator: Development (MOAD)/Livestock Development (MOLD) execution rate on capital spending increased. Target met: N/A <table border="1" data-bbox="569 289 1297 456"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>N/A</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2020</td> <td>N/A</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2020</td> <td>N/A</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>N/A</td> </tr> </tbody> </table> <ul style="list-style-type: none"> JSR 2021. Most of the budget is going to meet recurrent costs that also cover program costs, and a limited portion goes towards capital expenditures. The GON should clearly define what is covered under the recurrent cost category, and to significantly increase allocations of capital costs to improve delivery of sector results. JSR recommendations. Although budget allocations for agriculture increased over the years, the scope of allocations in the recurrent cost category must be clearly defined, and allocations to capital costs must be increased through annual program planning, which will be critical to generate intended outputs and outcomes, including enhancing people's livelihoods. (TA progress report). Of the total budget of MoALD, it seems that on average about 12% of the budget is directed towards capital expenditure and the rest is demarcated towards recurrent expenditures. The amount of government budget that is recurrent and capital varies across agencies, but in overall the majority of expenses are for recurrent functions. This is contrary to the projections made in the ADS reports that assume higher capital costs (53%) over the 10-year period from 2015-2025. The ADS has been programmed to increase the ratio of capital to recurrent expenditure to finance water and market related infrastructure works as well as agriculture mechanization and input programmes and support services. Capital expenditure was well recognised in the ADS as the driver of economic growth. The high level of recurrent expenditures for administrative and general operation of the development activities, raises the question whether these large amounts are adequately aligned and utilised. | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | N/A | January 2020 (Round 6) | Final Target | 2020 | N/A | November 2020 (Round 7) | Actual Value | 2020 | N/A | | | 2021 | N/A | |
|--|--|---|--|---------------|------|-------|------------------------|----------|------|-----|------------------------|--------------|------|-----|-------------------------|--------------|------|-----|--|--|------|-----|--|
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | N/A | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2020 | N/A | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2020 | N/A | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | N/A | | | | | | | | | | | | | | | | | | | | |
| | | <p>Around 64% of respondent consider the BS contribution to be high enough to an increased size and share of agricultural funding in the government's budget process. However, in real value, the agriculture budget is decreased by 20% this year, and it seems the contribution is not that significant, although there are anecdotal evidence that EU BS funds was helped the government to allocate funding to provide fertilisers to farmers.</p>  | Online survey | | | | | | | | | | | | | | | | | | | | |
| | | <ul style="list-style-type: none"> The agriculture budget has slightly increased but only in absolute terms although the government has prioritized the sector this fiscal year – the government (MoF) cut the budget of the agricultural ministry by 20% (this was also for other ministries as well). The level of expenditure is low (due to federal transition and low level of staff – especially at the sub-national level). | Interview data (KIIIs and GIs) | | | | | | | | | | | | | | | | | | | | |
| EQ3.2 Have there been improvements in policy formulation and | JC3.2.1 BS programme contributed to improvements in policy formulation | <ul style="list-style-type: none"> Improvements in policy formulation processes and in the quality of the policy setting is presented in JC3.4.4 There are tangible achievements in EU TA results (and specifically in I 3.4.4.B Achievement in Result 2: Governance and policies) The TA final report mentions that there is a gap of coordination between the federal agencies (such as MoALD vs MoFE, MoEWI and NPC). Improvements in result-oriented planning: The TA report mentions that considerable effort has been made to strengthen the local government in data collection, agricultural planning and monitoring and evaluation. The training programme conducted over the | Secondary data review, including: <ul style="list-style-type: none"> BS Financing Agreement and decision documents, | | | | | | | | | | | | | | | | | | | | |

| <p>implementation processes, in the quality of the policy setting and in democratic accountability, and to what extent and through which mechanisms (flow of funds, policy and institutional effects, others) has the BS programme contributed to these improvements?</p> | <p>processes, quality of the policy setting, result-oriented planning, policy implementation and coordination processes.</p> | <p>implementation of the TCF introduced Palika level technical staff to participatory processes, value chain analysis and innovate ways of data collection. The political echelon was also made aware of the importance of systematic planning and have made budgetary commitments to this effect. However, the new leadership emerged from the recent election, there lies the risk that the same level of commitment may not be committed to continue the planning process in the way promulgated by the TCF. The issue of continuity and sustainability is a challenge that is recognised by the TCF and ways need to be sought to mitigate this risk.</p> <ul style="list-style-type: none"> The monitoring report mentioned that the TA organized four planning workshops and training to align ADS provincial agriculture ministry and municipalities. It also organized a three day cluster level training on agriculture developemtn planning, data base management and farmer registrion in all seven provinces, 77 districts where 236 men and 1238 women attendeed. It also supported framework to prepare PADS in all seven provinces. Improvements in policy implementation and/or coordination processes. The TA final report mentions that the intervention supported for a better coordination (TA final report, page 55), including: <ul style="list-style-type: none"> for (federal and provincial inter-ministerial coordination: rolling out the PADS and annual activities of agricultural plans and also assisted the NADSCC and NADSIC mechanisms that were established to ensure effective implementation through inter-ministerial linkages and collaboration in program planning, budgeting and monitoring of the activities have failed to function effectively. Moreover, some of the functions overlap with National Development Action Committee (NDAC) For district level – municipality coordination – coordination between the provinces and local governments Coordination among the development partners. The monitoring report mentioned that the TA established ADS desk in all seven provinces, supported in preparation of policy related 17 documents and 17 background papers for revising agriculctue extension strategy. The TA also designed and rolled out of Farmer Registraion Software. Improvements in democratic accountability. No specific information available. JSR 2021 recommends: Establish a regular monitoring and feedback system at all levels of government for credible financial information flow for informed decision-making, increased operational efficiency, improvements in service delivery, and to promote accountability. | <p>including Action Document.</p> <ul style="list-style-type: none"> EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and documents. ROM 2020 GoN 2023 Monitoring on ADS Implementation EU TCF contract, reports and documentation. | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|---|------|------|------------|---|---|------------|---|------|------|------|------|------|------|---|------|------|------|------|------|------|----------------------|
| | | <p>Around 64% of respondent consider the BS contributed to improvements in policy formulation and in result oriented planning. However, they are not sure about the quality of the policy setting and in democratic accountability. They consider contribution is largely through the Technical Assistance (Institutional effects), and less through the financial means (flow of funds), policy dialogue (policy effects) or other mechanisms.</p>  <p>Legend: 1 (orange), 2 (light orange), 3 (brown), 4 (grey), 5 (blue), Don't know (dark blue)</p> <table border="1"> <caption>Survey Results Data</caption> <thead> <tr> <th>Statement</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>Contributed to an increased size and share of agriculture funding in the government's budget...</td> <td>~10%</td> <td>~10%</td> <td>~10%</td> <td>~10%</td> <td>~10%</td> <td>~50%</td> </tr> <tr> <td>Contributed to an improved execution/ spending rate on capital spending for ADS</td> <td>~10%</td> <td>~10%</td> <td>~10%</td> <td>~10%</td> <td>~10%</td> <td>~50%</td> </tr> </tbody> </table> | Statement | 1 | 2 | 3 | 4 | 5 | Don't know | Contributed to an increased size and share of agriculture funding in the government's budget... | ~10% | ~10% | ~10% | ~10% | ~10% | ~50% | Contributed to an improved execution/ spending rate on capital spending for ADS | ~10% | ~10% | ~10% | ~10% | ~10% | ~50% | <p>Online survey</p> |
| Statement | 1 | 2 | 3 | 4 | 5 | Don't know | | | | | | | | | | | | | | | | | | |
| Contributed to an increased size and share of agriculture funding in the government's budget... | ~10% | ~10% | ~10% | ~10% | ~10% | ~50% | | | | | | | | | | | | | | | | | | |
| Contributed to an improved execution/ spending rate on capital spending for ADS | ~10% | ~10% | ~10% | ~10% | ~10% | ~50% | | | | | | | | | | | | | | | | | | |
| | | <ul style="list-style-type: none"> The ministry has been working on improving the policy framework in line with ADS. Some of the policy frameworks are in agriculture production and productivity (agriculture policy, national extension strategy, mechanization policy and others), climate change (such as the NDC implementation plan, adaptation to climate change), GESI strategy and others. There are other policy support at the provincial level including PADS and other operational level policies Support in the development of farmer registration software and capacity building at the provincial and local level There was however no support for agriculture MIS development. No proper assessment was carried out to assess the need for the policies and directives though. | <p>Interview data (KIIs and Gis)</p> | | | | | | | | | | | | | | | | | | | | | |
| | | <p>No data available from the secondary sources.</p> | <p>Secondary source</p> | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|--|--|---|---|
| | <p>JC3.2.2 There are number of mechanisms used by the BS programme contributing to the improvements.</p> | <p>The following feedback has been received from the stakeholders regarding the significance of these mechanisms:</p> <ul style="list-style-type: none"> Financial means (flow of funds): around 50 % of respondents consider as a contributing mechanism. Policy Dialogue (policy effects): around 43 % of respondents consider as a contributing mechanism. Technical Assistance (institutional effects): around 57 % of respondents consider as a contributing mechanism.  | <p>Online survey</p> |
| | | <ul style="list-style-type: none"> The intervention worked with the provincial government. An ADS consultant was posted at the provincial level and the expert served as a focal point in that province and help to coordinate municipalities within the Provinces. | <p>Interview data (KIIs and Gis)</p> |
| <p>EQ3.3 How have the M&E systems improved in the Agriculture sectors?</p> | <p>JC3.3 The M&E systems improved in the Agriculture sectors.</p> | <ul style="list-style-type: none"> Documents do not provide up-to-date information regarding improvements in the M&E systems in the Agriculture sectors. JSR 2021 recommendation. The review suggests that the establishment of a sector-wide monitoring and evaluation (M&E) system is given a high priority by MOALD. Such a system could connect municipal, provincial, and federal levels and maintain a national database. Without these mechanisms, sectoral planning and progress reporting, including properly tracking ADS indicators, will continue to be challenging. Steps must be continued by MOALD to design an IT-based M&E and database system by utilizing initiatives already undertaken by MOALD and DP-financed program and projects, and by introducing recent applicable best practices within the country and elsewhere. There is lack of good M&E systems at present. The system also needed to be versatile enough to track service delivery inputs, activities and processes at the lowest level and the outputs at the intermediate level of the provinces. (TA final report page 41). The system was previously regarded as having been effective for tracking different aspects of service delivery at each level. However, with the shift to federalism the system had to be re-established to cover the new three tiers of the governance structure. The disruption in the M&E system as a result of federalization included a lack of integration in M&E between the three tiers of government and a failure to generate quality data and communicate information to management at all levels (TA final report page 40). (Disbursement note) The difficulties encountered to obtained data confirm that the establishment of sector monitoring and evaluation system connecting municipal, provincial and federal levels and maintaining a national database should be given high priority. (TA final report) Back-up support to municipalities for planning and M&E: Considerable effort has been made to strengthen the local government in data collection, agricultural planning and monitoring and evaluation. The training programme conducted over the implementation of the TCF introduced Palika level technical staff to participatory processes, value chain analysis and innovate ways of data collection. The political echelon was also made aware of the importance of systematic planning and have made budgetary commitments to this effect. However, the new leadership emerged from the recent election, there lies the risk that the same level of commitment may not be committed to continue the planning process in the way promulgated by the TCF. The issue of continuity and sustainability is a challenge that is recognised by the TCF, and ways need to be sought to mitigate this risk. The monitoring report mentioned that the TA helpe din review of the existing M & E and prepare an M & E plan for ADS considering the 3 tiers of the government. | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and accompanied documents. EU TCF contract, reports and documentation. GoN 2023 Monitoring on ADS Implementation |
| | | <p>The following feedback has been received:</p> <ul style="list-style-type: none"> No visible change in the M&E system in practice. And actually M&E systems deteriorated with the move to the federal system. However, the importance of M&E has been realised by all stakeholders, including those at local level. | <p>Online survey</p> |

| | | | |
|--|---|---|--|
| | | <ul style="list-style-type: none"> The EU CARD support had very little contribution towards strengthening M & E system in agriculture. TA reviewed existing M&E mechanisms and suggested improvements. The TCF designed a new system, and trained technical staff at all levels. But implementation of the new system required more time and resources. | |
| | | <ul style="list-style-type: none"> The previous monitoring systems were disrupted by the federalization Due to the conflicting and uncertain roles of the different tiers of the governments, there were no formal coordination mechanisms exist and data reporting systems in operation. The project helped to connect the link at the operational level The intervention also developed a model of M & E for all tiers of the government but that was not used for improving M & E systems. | Interview data (KIs and Gis) |
| STEP 1: BS direct outputs and induced outputs | | | |
| EQ3.4 To what extent and through which mechanisms (funds, dialogue and TA) has budget support contributed to strengthening local governance? | JC3.4.1 The budget support contributed to strengthening local governance. | <ul style="list-style-type: none"> (EU BS Disbursement note). During the National ADS Implementation Committee (NADSIC) annual meeting held in April 2019, which also served as JSR annual meeting, three main issues were identified: agriculture development planning in federalised system; implementation of ADS in federalised system, and; agriculture progress monitoring and reporting mechanism among the three tiers of government. 11 time-bound actions to address the above issues were identified, six to be implemented by MoALD alone and five with assistance of DPs (including EU). Progress on these are reported in the minutes of the fifth JSR technical committee and in the second JSR report. The EU BS contributed to strengthening local governance through the BS Funds and the policy dialogue. See details provided in JC1.2: The BS programme was adaptive and relevant when circumstances change in consideration of transition to federalism in Nepal. EU BS contributed to strengthening local governance through the TA with a nationwide outreach to provinces (7) and municipalities (753). See further details in JC3.4.4 There are tangible achievements in EU TA results and JC4.1.11 The EU TA outcomes has been achieved. The monitoring report showed that the EU TA provided district level orientation in 72 districts where all municipalities were attended. It also helped to establish coordination mechanisms in 753 municipalities and facilitated to organize 4 provincial level intergovernmental and DP coordination meeting. | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports, documents. GoN 2023 Monitoring on ADS Implementation EU TCF contract, reports and documentation. |

| | | <p>The following feedback has been received from the counterparts:</p> <ul style="list-style-type: none"> The TA helped the government to review agricultural extension strategy Extension system was partially supported through training provided to extension agents, But there were only few technical staff at sub-national level (for example 1-3 technicians at municipality level). Their capacity is very low and there is a need for a capacity development plan to strengthen their skills. The research sector remained untouched at the local level. Not much tangible results have been observed in related to research and extension systems because research and extension systems are not working properly after federalization. Very few areas of land management has been achieved. Few policies and acts governing land management were in place. Land ownership under female increased. Land/crop pooling-based farming getting momentum. Regarding competitiveness the market infrastructure has been initiated to some extent such as dairy products. It is however hard to attribute the achievements with the intervention. | Online survey | | | | | | | | | | | | | | | | | | | | |
|---|---------------|---|------------------------------|---------------|------|-------|------------------------|----------|------|-------|------------------------|--------------|------|-------|-------------------------|--------------|------|-------|--|--|------|-----|---|
| | | <p>29. 3.4.1 To what extent has budget support contributed to strengthening local governance?</p> <p>More Details</p>  <p>Legend: 1 (orange), 3 (light orange), 4 (grey), 5 (blue), Don't know (dark blue)</p> | Interview data (KIs and Gis) | | | | | | | | | | | | | | | | | | | | |
| <p>JC3.4.2 The BS programme results (induced outputs) have been achieved.</p> | | <p>Achievement in induced output 2.1: Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification.</p> <ul style="list-style-type: none"> (Ref. ROM 2020). The target has <u>partially</u> been met for this induced output indicator. Percentage of farmers (women and men) reached by agriculture programmes (households reached by rural advisory services) - with the actual value (2018) of 20.00 compared to final target (2021) of 22.00 and to baseline (2015) of 18.20. Target met: PARTIAL. The target has been partially met so far. There are still three years of implementation. <table border="1" data-bbox="567 974 1806 1153"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>18.20</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>22.00</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2018</td> <td>20.00</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>N/A</td> </tr> </tbody> </table> <ul style="list-style-type: none"> No estimation found for FY2020/21. Had reached about 20% in FY2017/18 (source: MOALD Progress Report, FY2017/18) <p>Achievement in induced output 2.2: Improved land management.</p> <ul style="list-style-type: none"> (Ref. ROM 2020). The target has <u>almost</u> been met for this induced output indicator (as per the ROM, November 2020): Percentage of farmland owned by women individually or jointly - with the actual value (2019) of 19.50 compared to final target (2021) of 20.00 and to baseline (2015) of 16.00. | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 18.20 | January 2020 (Round 6) | Final Target | 2021 | 22.00 | November 2020 (Round 7) | Actual Value | 2018 | 20.00 | | | 2021 | N/A | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and accompanied documents. ROM 2020 |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 18.20 | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | 22.00 | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2018 | 20.00 | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | N/A | | | | | | | | | | | | | | | | | | | | |

| | <ul style="list-style-type: none"> • Target met: YES. The target is almost met (19.5% against the target of 20%). <table border="1" data-bbox="569 220 1808 386"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> <th>RR Exercise</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>16.00</td> <td>16.00</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>20.00</td> <td>20.00</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2019</td> <td>19.50</td> <td>19.50</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Women owned 19.5% of land in FY2018/19 (source: Central Bureau of Statistics, FY2020/21) <p>Achievement in induced output 4.1: Competitiveness in the sector enhanced through innovation, quality control, market infrastructure and export promotion.</p> <ul style="list-style-type: none"> • (Ref. ROM 2020). No assessment on the progress and target met can be done due to the lack of current value of this indicator: Increase in total number of rural market infrastructures compared to baseline (2015) of number 1624.00. • Target met: N/A. No assessment on the progress and target met can be done due to the lack of current value of this indicator. <table border="1" data-bbox="569 532 1680 698"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>1624.00</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>N/A</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2019</td> <td>N/A</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>N/A</td> </tr> </tbody> </table> | RR Exercise | Type of value | Year | Total | RR Exercise | January 2020 (Round 6) | Baseline | 2015 | 16.00 | 16.00 | January 2020 (Round 6) | Final Target | 2021 | 20.00 | 20.00 | November 2020 (Round 7) | Actual Value | 2019 | 19.50 | 19.50 | | | 2021 | N/A | N/A | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 1624.00 | January 2020 (Round 6) | Final Target | 2021 | N/A | November 2020 (Round 7) | Actual Value | 2019 | N/A | | | 2021 | N/A | <ul style="list-style-type: none"> • EU TCF contract, reports and accompanied documentation. |
|--|---|-----------------------------------|---------------|-------------|-------|-------------|------------------------|----------|------|-------|-------|------------------------|--------------|------|-------|-------|-------------------------|--------------|------|-------|-------|--|--|------|-----|-----|-------------|---------------|------|-------|------------------------|----------|------|---------|------------------------|--------------|------|-----|-------------------------|--------------|------|-----|--|--|------|-----|---|
| RR Exercise | Type of value | Year | Total | RR Exercise | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 16.00 | 16.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | 20.00 | 20.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2019 | 19.50 | 19.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | N/A | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 1624.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2019 | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <ul style="list-style-type: none"> • Only 14 % respondents consider results 2.1 achieved: Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification. Meanwhile, another 14% of them are not sure. • Only 14 % respondents consider results 2.2 achieved: Improved land management. Meanwhile, another 14% of them are not sure. • Around 21% of respondents consider results 4.1 achieved: competitiveness in the sector enhanced through innovation, quality control, market infrastructure and export promotion. Meanwhile, another 14% of them are not sure. <p>31. 3.4.2 To what extent has the following BS programme results (induced outputs) have been achieved?</p> <p>More Details</p>  | Online survey | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <ul style="list-style-type: none"> • The proposed intervention results are mostly achieved and/or significantly contributed to the achievement of the results. • improved awareness and ownership of the stakeholders noted especially at the provincial level • supported by improved planning process and capacity building • Development of PADS • But there was no adequate data to claim the achievement. This was mainly due to the weak coordination and collaboration among the stakeholders/governments • There is also weak capacity / institutional ability of MoALD and not able to bring other stakeholders into a common platform • ADS is perceived as only the responsibility of MoALD | Interview data (KIIIs and Gis) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JC3.4.3 There are tangible achievements in | <ul style="list-style-type: none"> • Increasing capacity of implementing agencies to plan, execute and monitor progress (Ref. direct output 1.2 with examples). • (Ref. ROM 2020). The results have not been independently verified, for example by an external evaluation or a ROM Review. The indicator is not included in the variable tranche indicators or in the list of the ADS vision indicators, therefore it is not systematically measured. | Secondary data review, including: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

BS programme results (direct outputs).

- **Indicator:** Yearly costed plans available for 3 to 5 years plan. Joint monitoring with yearly targets.
- **Target met:** N/A. The qualitative nature of the indicator does not allow for proper assessment of the progress and the achievement of the target.

| RR Exercise | Type of value | Year | Total |
|-------------------------|---------------|------|---|
| January 2020 (Round 6) | Baseline | 2015 | Yearly costed plans for 3 to 5 years plan, including joint monitoring with yearly targets are not set |
| January 2020 (Round 6) | Final Target | 2020 | Yearly costed plans for 3 to 5 years plan, including joint monitoring with yearly targets are available |
| November 2020 (Round 7) | Actual Value | 2020 | The approved Agriculture Development Strategy has a 10-year action plan, a 20-year vision, and seven vision components to guide agriculture sector indicators |
| | | 2021 | N/A |

- No specific reference available in JSR 2021. however, on, page V – executive summary, the JSR 2021 review mentions generally satisfactory progress on the action plan that resulted from the second annual JSR meeting, for implementation by MOALD, provincial agriculture ministries and DPs in FY2021/22’.

GESI mechanisms reinforcement (Ref. direct output 1.3).

- (Ref. ROM 2020). The results have not been independently verified, for example by an external evaluation or a ROM Review. The indicator is not included in the variable tranche indicators or in the list of the ADS vision indicators, therefore there is no reporting on the development of a GESI Action Plan.

- **Indicator:** GESI action Plan adopted and implemented.

- **Target met:** N/A

| RR Exercise | Type of value | Year | Total |
|-------------------------|---------------|------|---|
| January 2020 (Round 6) | Baseline | 2015 | GESI action Plan not in place |
| January 2020 (Round 6) | Final Target | 2020 | GESI action Plan adopted and implemented. |
| November 2020 (Round 7) | Actual Value | 2020 | N/A |
| | | 2021 | N/A |

- The JSR 2021 doesn’t cover this.

Strengthening Nutrition capacities in the sector at all levels (Ref. direct output 1.4).

- (Ref. ROM 2020). The results have not been independently verified, for example by an external evaluation or a ROM Review. The indicator is not included in the variable tranche indicators or in the list of the ADS vision indicators, therefore there is no reporting on the progress.

- **Indicator:** Assessment of Capacity development for Nutrition undertaken and Road Map for addressing gaps identified.

- **Target met:** N/A

| RR Exercise | Type of value | Year | Total |
|-------------------------|---------------|------|---|
| January 2020 (Round 6) | Baseline | 2015 | Lack of Capacity development for Nutrition Assessment and of a Road Map for addressing gaps |
| January 2020 (Round 6) | Final Target | 2020 | Assessment of Capacity development for Nutrition undertaken and Road Map for addressing gaps identified |
| November 2020 (Round 7) | Actual Value | 2020 | N/A |
| | | 2021 | N/A |

- BS Financing Agreement and decision documents, including Action Document.
- EU Disbursements notes and files.
- ADS Joint Sector Review (JSR) reports and accompanied documents.
- ROM 2020
- EU TCF contract, reports and accompanied documentation.

- No specific reference available in JSR 2021. But in page 34 it mentioned 'Capacity Needs Assessment and Capacity Development Plan: The TCF completed conducting capacity needs assessments of 140 municipalities across all provinces representing different agro-ecological zones, and institutions under PAMs.'
- [Increasing coverage of irrigation \(Ref. direct output 2.3\).](#)
- (Ref. ROM 2020). The results have not been independently verified, for example by an external evaluation or a ROM Review. There is lack of uniformity between the unit of measurement of the current value (hectares) against the measurement unit of the baseline and final target. This does not allow for proper assessment of the progress.
- **Indicator:** Percentage of land irrigated year-round.
- **Target met: N/A.** There is lack of uniformity between the unit of measurement of the current value (hectares) against the measurement unit of the baseline and final target. This does not allow for proper assessment of the progress.

| RR Exercise | Type of value | Year | Total |
|-------------------------|---------------|------|-------|
| January 2020 (Round 6) | Baseline | 2015 | 25.20 |
| January 2020 (Round 6) | Final Target | 2021 | 35.00 |
| November 2020 (Round 7) | Actual Value | 2019 | N/A |
| | | 2021 | 40% |

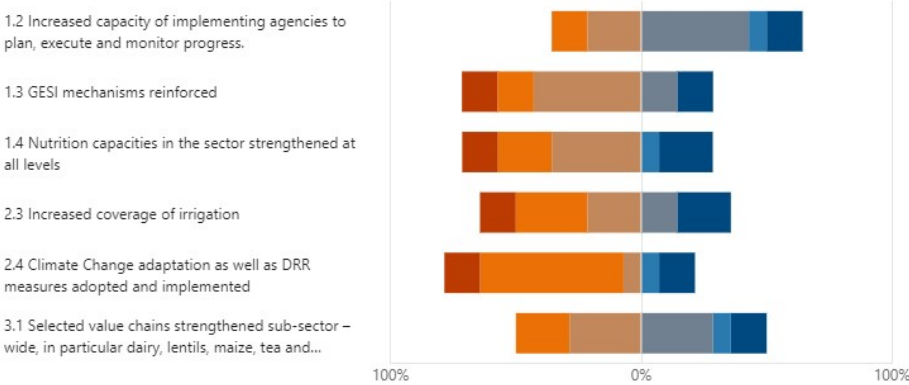
- (Ref JSR 2021 report page 7): Of 1,503,367 ha total irrigated area, about 40% is estimated to be irrigated year-round. Of ADS annual target of 57,000 ha for FY2019/20, about 15,508 ha has been added through federal projects/programs. Data is not available on irrigation developed by provincial and local projects/programs (source: Economic Survey of FY2020/21 (page 121, para. 8.48), Fifteenth Plan (FY2019/20 -2023/24), Table 3.1 (S. No. 4.4.3), Page 39.)

[3.4.3.E Adopting and implementing Climate Change adaptation as well as DRR measures \(Ref. direct output 2.4\).](#)

- (Ref. ROM 2020). The results have not been independently verified, for example by an external evaluation or a ROM Review. There is no reference in the progress reports or any other document of climate change related plans.
- **Indicator:** Sector Plan / measures adopted and implemented.
- **Target met:** N/A

| RR Exercise | Type of value | Year | Total |
|-------------------------|---------------|------|---|
| January 2020 (Round 6) | Baseline | 2015 | There is no reference in the progress reports or any other document of climate change related plans. |
| January 2020 (Round 6) | Final Target | 2019 | Legislation discussion in Parliament, and amendments made as per suggestions from the Parliament in three areas as per reports from Parliament/committees sessions: - Agribusiness promotion; - Agriculture markets; - Land management |
| November 2020 (Round 7) | Actual Value | 2019 | Land use Act 2076 (2019) has been approved by the Federal Parliament on March 2019, as per gazetted paper. Agribusiness act (including agricultural markets) returned to the Ministry by the Cabinet for revision before submission to parliament. Not submitted to Parliament yet. |

- No specific reference is available in JSR 2021 report. But page v (executive summary) mentioned that: While provincial agriculture ministries (PAMs) and municipalities were incorporated into the JSR process as recommended, other actions are still ongoing. For example, the first five-yearly review of ADS was deferred from FY2021/22 to FY2022/23 to incorporate findings of the provincial ADS, currently in different stages of preparation across all provinces. The Ministry of Industry, Commerce and Supplies is analysing causes for a rapid increase in rice importation, in partnership with MOALD. Subnational consultations are underway to complete revisions to the National Agriculture Policy, 2004. Lastly, the establishment of sector-wide monitoring, evaluation, and review system, including institutionalization of JSR, is still ongoing.

| | <p>Strengthening selected value chains sub-sector – wide, in particular dairy, lentils, maize, tea and vegetables (Ref. direct output 3.1) (Ref. ROM 2020). Indicator: Increase in total value of processed dairy products. Target met: YES. The annual target for 2019 was exceed, with NRs 32.86 billion against the target for NRs 28.8 billion</p> <table border="1" data-bbox="569 264 1682 431"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>20.40</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2019</td> <td>28.8</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2019</td> <td>32.86</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>N/A</td> </tr> </tbody> </table> <ul style="list-style-type: none"> No reference available in JSR 2021. | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 20.40 | January 2020 (Round 6) | Final Target | 2019 | 28.8 | November 2020 (Round 7) | Actual Value | 2019 | 32.86 | | | 2021 | N/A | |
|--|--|---|---------------|------|-------|------------------------|----------|------|-------|------------------------|--------------|------|------|-------------------------|--------------|------|-------|--|--|------|-----|--|
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 20.40 | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2019 | 28.8 | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2019 | 32.86 | | | | | | | | | | | | | | | | | | | |
| | | 2021 | N/A | | | | | | | | | | | | | | | | | | | |
| | <ul style="list-style-type: none"> Stakeholders consider the achievements mostly in output 1.2 Increased capacity of implementing agencies to plan, execute and monitor progress. And there is mixed feedback in other outputs. GESI mechanisms not much reinforced (Output 1.3). Strengthened nutrition capacities is low (Output 1.4). Irrigation coverage was achieved to some extent only (Output 2.3). No tangible achievements regarding climate change adaptation (Output 2.4), and marginal achievements in selected value chains strengthened sub-sectors, in particular dairy, lentils, maize, tea and vegetables (Output 3.1).  | Online survey | | | | | | | | | | | | | | | | | | | | |
| | <ul style="list-style-type: none"> Direct outputs are achieved in most of the cases i.e. increased capacity, improving GESI status, nutrition capacity, irrigation etc) But there was no adequate data to claim the achievement. This was mainly due to the weak coordination and collaboration among the stakeholders/governments There is also weak capacity / institutional ability of MoALD and not able to bring other stakeholders into a common platform ADS is perceived as only the responsibility of MoALD | Interview data (KIIs and Gis) | | | | | | | | | | | | | | | | | | | | |
| JC3.4.4 There are tangible achievements in EU TA results | <p>Achievement in Result 1: Develop and roll out a communications strategy.</p> <ul style="list-style-type: none"> As a result of TCF activities a target audience of 5,000 persons have acquired knowledge on ADS, directly and a further 7,000 indirectly. (TA progress report) (JCR 2021). The TCF has contributed to increasing awareness about ADS at the federal, provincial, and local levels. This was done by organizing orientations at the district level for all municipalities from 72 out of 77 districts. Mayors and chairpersons of municipalities were oriented about ADS and advised to align their planning processes with the ADS framework. Key officials from nearly 90 percent of urban and rural municipalities participated in the orientation. As a result, ADS has now been well communicated at all levels, and there is familiarity about ADS among most provincial and municipal stakeholders and through them, to a wider audience. A separate page has been created for ADS on the PAM websites in all provinces. Both English and Nepali versions of the ADS, and other relevant documents, particularly reports of key events, such as orientation workshops, training programs, and coordination meetings, have been added in the ADS webpage. | Secondary data review, including: <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. | | | | | | | | | | | | | | | | | | | | |

- The TCF supported the establishment of formal coordination mechanisms at both provincial and municipal levels to enhance two-way communication, coordination, and exchange information for promoting uniform policy guidelines and procedures for planning, monitoring, and evaluation. Similarly, intergovernmental and DP coordination meetings have been organized in Lumbini, Gandaki, Kamali, and Bagmati Provinces to build strong linkages, partnerships, and coordination between PAMs and DPs.

- TA progress report.

| Output Indicators | Actual Endline | End target |
|--|----------------|------------|
| No. of awareness raising workshops conducted at federal and provincial level | 15 | 20 |
| No. of orientation workshops conducted at municipality level | 560 | 753 |

Achievement in Result 2: Governance and policies.

- (JCR 2021). The TCF responded to federal and province level requests on policy matters as part of strengthening capacity of MOALD, PAMs, and municipalities, particularly in carrying out studies or providing informed and evidence-based advice. The TCF provided support to MOALD's subnational consultations on the National Agriculture Policy, 2004, which is under revision. The revised policy is expected to provide an umbrella framework and guide all other agriculture-related sectoral/sub-sectoral policies. Per PAMs' requests, the TCF provided technical support to prepare policy and thematic papers, ensuring that provincial and municipal issues are addressed in the documents. For example, as an input to contribute to policy formulation, the TCF provided technical and financial support to conduct the National Agriculture Conference to identify ways and means to solve emerging issues and challenges of the sector.
- The establishment of coordination mechanisms, including a dedicated ADS desk or focal persons at provincial MOLMACs and their subsidiary organizations, has been completed. Similarly, some municipalities have initiated identifying focal persons. This activity will continue until the end of the TCF. As per the request of MOALD and PAMs for policy/program implementation support, the TCF prepared many policy-related documents, such as institutional mapping; guidelines for ADS coordination at provincial level; post-COVID recovery concept note; concept note on absorption of returnee migrants; study on importation of rice; synthesis report of publications of urea application for rice; and seed sector development. The TCF also prepared a sectoral review and analysis for Lumbini Province; review of international standards for organic and bio-fertilizers; organic agriculture policy for Karnali Province; report on agricultural advisory services; status report on agricultural marketing for Madhesh Province; social and environment safeguards assessment for REED project; and a buy-back guarantee scheme for rice and vegetables. In addition, the TCF prepared an animal health bill for Sudurpaschim Province; agri-business policy for Karnali Province; and agriculture extension policy review, including some pertinent policy briefs. Around the agriculture extension strategy, which is planned to undergo extensive consultations, some background papers were prepared, which include agriculture extension in Nepal under the federal system; revitalizing agricultural advisory services; community-based agricultural extension support; mechanization hire services; rethinking agricultural input subsidies; price support instruments; seed governance; public-private partnership in market infrastructure; and enabling environment for agribusiness development, including organic fertilizer management.

- TA progress report.

| Output Indicators | Actual Endline | End target |
|---|------------------------------------|------------|
| No. of ADS units/ focal points set up at provincial level | 7 | 7 |
| No. of ADS units/ focal points set up at municipality level | 35 | 35 |
| No. of coordination mechanisms set up at Provincial level | 7 | 7 |
| No. of district level coordination mechanisms set up (also under the PMAMP) | AKC 52 VHLSEC 49 PMAMP 77 | 77 |
| No. of municipal level agriculture development coordination mechanism established | 35 | 35 |
| No of studies conducted/ guidelines prepared for informed policy making processes | | |
| - Headquarter level | 19 | 20 |
| - Provincial level | 35 | 30 |

Achievement in Result 3: Agricultural Planning.

- (JCR 2021). Some dedicated inputs were provided by the TCF to help align ADS in PAM and municipality level annual planning. These include planning workshops to prepare provincial annual agricultural plans with ADS alignment; preparation of agricultural program

- EU Disbursements notes and files.
- ADS Joint Sector Review (JSR) reports and accompanied documents.
- ROM 2020
- EU TCF contract, reports and accompanied documentation.

planning guidelines; development of a local level agricultural planning methodology; and training on agriculture development planning for local government staff. To further enhance capacity of municipal officials in agricultural development planning and related issues, the TCF organised a three-day cluster level training on agricultural development planning, database management, and farmers' registration software.' The training was completed in all 77 districts covering all 753 municipalities. A total of 1,474 persons attended the training, of which 16 percent were female.

- During the training events, to garner political commitments to establish a database and institutional structure to facilitate planning, monitoring and evaluation, a coordination meeting was organised for political representatives from municipalities, particularly chairpersons of the economic development committee and officials from concerned districts and MOALD. A preliminary snapshot survey about the effectiveness of the training suggests that the training was useful to prioritize municipal level agricultural activities with evidence-based planning.
- **Preparation of Provincial Agriculture Development Strategy (PADS):** On MOALD's request, the TCF prepared a framework to formulate PADSs, ensuring consistency with ADS and incorporating provincial priorities in the federalized structure. The TCF also agreed to support PAMs to prepare PADSs in Karnali, Gandaki, Bagamati, and Madhesh Provinces and to advise other PAMs to prepare PADSs. The TCF is currently supporting PADS preparation in all provinces with varying degrees of involvement. USAID and SDC are supporting PAMs to prepare PADSs in Lumbini and Sudurpaschim, and Province 1, respectively, by using the framework developed by the TCF. The TCF will continue to provide technical support for Lumbini, Sudurpaschim, and Province 1 to ensure consistencies among PADSs of all provinces.
- TA progress report.

| Output Indicators | Actual Endline | End target |
|---|--|------------|
| No. of trainees from federal, provincial level trained in agricultural planning for ADS | Total: 54 Male: 43 Female: 11 | 42 |
| No. of local level staff trained and mentored in agricultural planning | Total: 1474 Male: 1238 Female: 236 | 1506 |
| No. of federal and provincial annual plans supported by TCF | 3+21 provinces | 21 |
| No. of provincial master plans supported by TCF | 3 | 5 |
| No. of PADS supported by TCF | 7 | 4 |
| No. of local government plans prepared | 35 | 35 |

Achievement in Result 4: Monitoring and Evaluation.

- (JCR 2021). To strengthen the M&E system, in close consultation with MOALD, the TCF revised the existing M&E system. The revised version highlights a more participatory system, uses updated formats, and creates a web-based digital platform to ease data access for users. The revised version will be used as the basis for designing a web-based digital M&E system.
- **Preparation of ADS M&E Plan:** The TCF updated the existing M&E Plan for all three tiers of government. The revised version highlights the indicators for different levels, roles and responsibilities, data/information flow mechanisms, data management, format design, and reporting processes and arrangements.
- **Support to Develop Baseline Information** at Municipal Level (municipal agricultural profiles): Cluster level training also provided municipal officials with skills on suitable methodologies for data collection and to prepare municipal agricultural profiles. Sample agricultural profiles were drafted for pilot municipalities in all provinces. The federal government (through MOALD) provided a conditional grant of NRs.100,000 to develop agricultural databases for each municipality. This will help establish a sustainable database system in municipalities.
- **Design and Rollout of Farmer Registration Software:** Following MOALD's request, the TCF provided both financial and technical support to design and roll out farmer registration software. The TCF conducted a series of training of trainers (TOT) for federal and provincial level officials. Similar training were organized for 1,474 municipal level agriculture and livestock technicians from all 753 municipalities. Subsequently, municipalities from all provinces have started rolling out farmer registration, supported by a conditional grant of NRs. 300,000 from MOALD to each municipality in the current FY. Through periodic follow-up, the TCF is supporting the registration process and providing technical backstopping. The GON has made farmer registration mandatory to receive any agricultural support and

services. Thus, registration is expected to serve as a web-based database of farming households that can provide baseline information at the municipality level for planning and M&E purposes.

- TA progress report.

| Output Indicators | Actual Endline | End target |
|---|--|------------|
| No. of people trained in M&E and database at federal &, provincial | 54 Female: 11 Male: 43 | 42 |
| No. of local level staff trained and mentored in agricultural planning, data collection and M&E | Total: 1474 Male: 1238 Female: 236 | 1506 |
| No. of local governments collecting data on a regular basis for planning and M&E purposes | 5 | 35 |
| No. of municipality databases produced | 4 | 35 |

Achievement in Result 5: Human resources development.

- (JCR 2021) Enhancing human resource capacity for effective roll-out of the ADS was a key priority of the TCF. To this end, the TCF conducted various training and on-the-job coaching to government officials on ADS. These include the TOTs on agricultural development planning for resource persons, which were pooled from PAMs and their subsidiary institutions. The training reached 54 officials across all provinces and primarily covered planning and M&E. Similarly, the TCF provided training on statistics and econometrics for policy analysis for MOALD and PAM staff. Training materials for agribusiness planning was prepared for composite business analyses focusing on concerned provincial institutions, including PAMs, with a target to complete by March 2022.
- **Capacity Needs Assessment and Capacity Development Plan:** The TCF completed conducting capacity needs assessments of 140 municipalities across all provinces representing different agro-ecological zones, and institutions under PAMs. The assessment covers organizations' mandates, key programs to be implemented, institutional structures, human resources, details about office heads, additional staff requirements, training programs, trainer qualifications and capacity, policies and laws prepared by the ministry, budget details, M&E systems, logistics, documentation, reporting, and the technical staff situation.
- TA progress report.

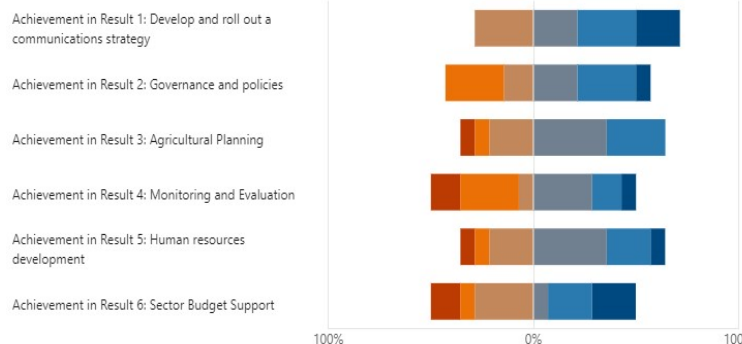
| Output Indicators | Actual Endline | End target |
|---|----------------|------------|
| No. of provincial level institutional mapping studies conducted | 7 | 7 |
| No. of Capacity Needs Assessment studies conducted at provincial level | 7 | 7 |
| No. of Capacity Needs Assessment studies conducted at municipality level | 130 | 140 |
| No. of training materials prepared for technical subject areas | 4 | 3 |
| No of training centres supported for agribusiness development | 0 | 14 |
| No. of persons trained in agribusiness development | 0 | 100 |
| No of need based technical/policy analysis training for federal and provincial ministries | 1 | • 3 |

Achievement in Result 6: Sector Budget Support.

- (JCR 2021) As an ongoing activity, the TCF assisted MOALD (ADS Coordination Section) to prepare a sector performance report to help meet conditions for different tranche releases under the CARD Program. Furthermore, the TCF prepared a report on progress towards targets of the "Status of Action Plan Implementation and Indicators 2018/19 – 2022/23" for the ADSCS. Similarly, the TCF completed collecting budget information from other relevant line ministries at the federal and provincial levels. The report on budget comparisons will provide the status on expenditure compared to allocated budget for agriculture as well as recommend actions for improving budgetary processes and implementation modalities.
- TA progress report.

| Output Indicators | Actual Endline | End target |
|---|----------------|------------|
| Quality of submissions proposed with up-to-date information | 2 | 3 |

| | | | |
|--|--|---|-------------------------------------|
| | | <ul style="list-style-type: none"> Results 1. Contribution to local awareness about ADS. Communication strategy prepared. However, it was poor in implementation. All the local levels in all provinces were covered by the ADS orientation programme and made sensitise to some extent. Results 2. Ad hoc but relevant contributions. Facilitated in preparation of PADS. In spite of the regular orientation programme, governance and policy results are to be achieved. Results 3. Main area of achievement, at local level: drafting of planning guidelines and training for LG. Planning guideline prepared at local level. After the training programme, some improvement has been made in the agricultural planning. Results 4. Some development of capacities at local level, but with limited impact in the absence of an overall system. M&E concept note prepared. Not that much achieved in M&E sector. Training on planning and monitoring as well as use of farmer registration software. Results 5. Several capacity building interventions at local level. Results 6. Very limited work in support and knowledge sharing related to sector budget support and PFM. | <p>Online survey</p> |
| | | <ul style="list-style-type: none"> The VT indicators are partially achieved. Communication strategies rolled out, supported in governance and policy-making process, helped in agriculture planning, provided capacity building support and developed M & E plan for consideration. But very less or no action on sector budget support and PFM But there was no adequate data to claim the achievement. This was mainly due to the weak coordination and collaboration among the stakeholders/governments. There is also weak capacity / institutional ability of MoALD and not able to bring other stakeholders in a common platform. Difficult to attribute the achievement due to lack of data and also a short period of the project cycle | <p>Interview data (KIs and Gis)</p> |



4: Impact

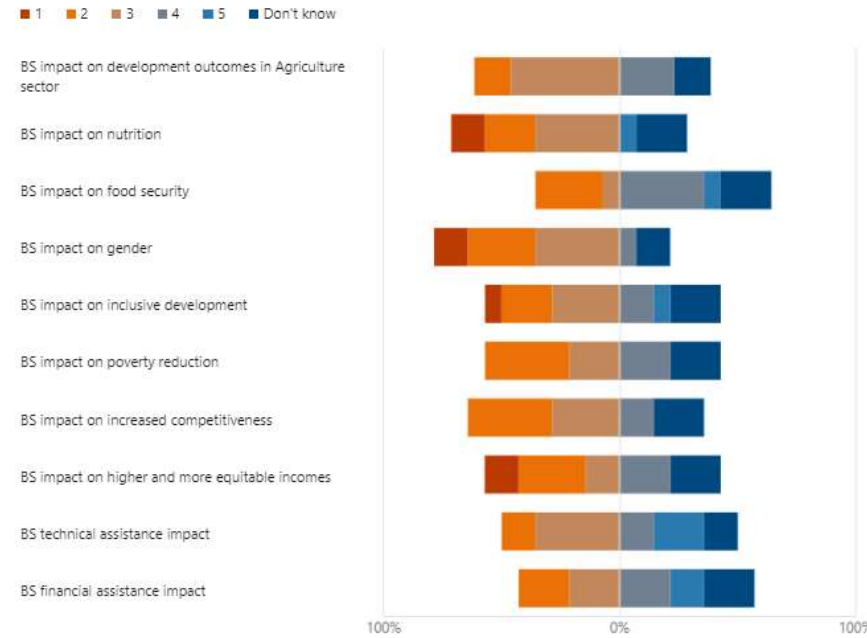
| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|----------------------------|---------------|------|-------|------------------------|----------|------|-------|------------------------|--------------|------|-------|-------------------------|--------------|------|----------------------------|----------|--|-------------------------|----------------------------|-------------|---------------|------|-------|------------------------|----------|------|-------|------------------------|--------------|------|-------|-------------------------|--------------|------|-------|----------|--|---------|-------|--|
| Step 2: Expected and actual outcomes and impact | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>EQ4.1: To what extent, in the Agriculture sector, have the development outcomes (including nutrition, food security, gender and inclusive development) pursued through the policies and programmes supported by BS programme been (or are being) achieved?</p> | <p>JC4.1.1: The BS impact have been pursued through the policies and programmes supported by BS programme.</p> | <p>The BS impact have been pursued through the policies and programmes supported by BS programme.</p> <ul style="list-style-type: none"> (Ref. ROM 2020). The target has been met for impact indicators (as per the ROM, November 2020). BS impact indicator: increased food and nutrition security. Target met: YES. The target has been met. However, the ROM notes that one cannot take for granted that the value will remain or improve in the last year of implementation of the intervention (2021). <table border="1" data-bbox="577 435 1801 602"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>37.40</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>29.00</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2019</td> <td>28.00 (N.B¹⁶)</td> </tr> <tr> <td>JSR 2021</td> <td></td> <td>2019/2020¹⁷</td> <td>11.8%/ 31.5%¹⁸</td> </tr> </tbody> </table> <ul style="list-style-type: none"> (JSR 2021 page 9) Severe stunting decreased to 11.8% and moderate-to-severe stunting decreased to 31.5% in FY2019/20. (source: Nepal Multiple Indicator Cluster Survey, 2019 (page 44-45)). (Ref. ROM 2020). BS impact indicator: poverty reduced, increased competitiveness, higher and more equitable incomes. BS impact indicator: poverty reduced, increased competitiveness, higher and more equitable incomes. Target met: YES. The target has been met. However, the ROM notes that: a) the value is an estimation, b) the specific indicator is not measured on yearly basis, and c) one cannot take for granted that the value will remain or improve in the last year of implementation of the intervention (2021). <table border="1" data-bbox="577 769 1801 937"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>24.30</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>19.00</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2019</td> <td>18.70</td> </tr> <tr> <td>JSR 2021</td> <td></td> <td>2020/21</td> <td>18.7%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> (Ref. JSR 2021 pages 12 and 9) There is no mechanism for annual monitoring of the rural poverty indicator. Absolute poverty is assumed to have decreased to 17 percent by FY2019/20 from 21.6 percent in FY2015/16. Hence, it can be expected that rural poverty should have also decreased, even if at a slightly lower rate compared to overall poverty (page 12). Rural poverty estimated to have decreased to 18.7% by FY2019/20. However, based on NPC's multidimensional poverty index 2021, it is still 28% (page 9). Source (Economic Survey, FY2019/20 (page 59, para. 7.1) Multidimensional Poverty Index, 2021 (Page 11, Table 3.2).) <p>BS impact on development outcomes in Agriculture sector</p> <ul style="list-style-type: none"> (JSR 2021) The EU Technical Cooperation Facility (TCF) has been supporting the promotion of relevance, effectiveness, efficiency, impact, and sustainability of ADS implementation, and acting as a flexible tool to respond to MOALD priorities. <p>BS impact on nutrition</p> | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 37.40 | January 2020 (Round 6) | Final Target | 2021 | 29.00 | November 2020 (Round 7) | Actual Value | 2019 | 28.00 (N.B ¹⁶) | JSR 2021 | | 2019/2020 ¹⁷ | 11.8%/ 31.5% ¹⁸ | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 24.30 | January 2020 (Round 6) | Final Target | 2021 | 19.00 | November 2020 (Round 7) | Actual Value | 2019 | 18.70 | JSR 2021 | | 2020/21 | 18.7% | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and accompanied documents. ROM 2020 EU TCF contract, reports and accompanied documentation. |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 37.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | 29.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2019 | 28.00 (N.B ¹⁶) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JSR 2021 | | 2019/2020 ¹⁷ | 11.8%/ 31.5% ¹⁸ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 24.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | 19.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2019 | 18.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JSR 2021 | | 2020/21 | 18.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

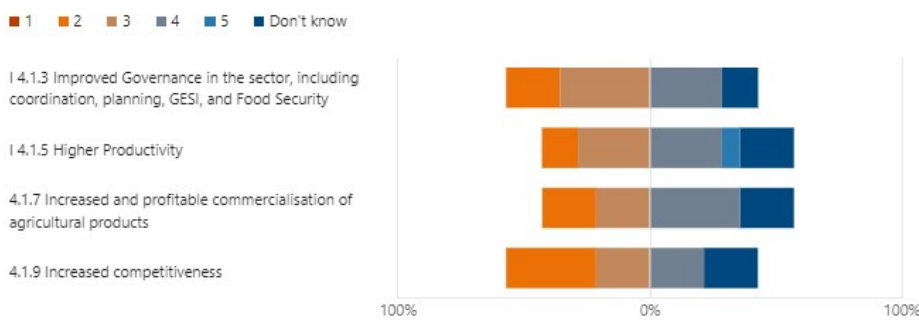
¹⁶ This figure is from ROM review. We have checked the JSR 2020 (page 7/10) and it mentions 'Decreased to 28% in FY2017/18 (latest available)'. But it is not clear whether this is severe stunting or moderate to severe stunting.

¹⁷ Seems the JSR 2021 report used 2019 data (see page 44/45).

¹⁸ Severe stunting decreased to 11.8% and moderate-to-severe stunting decreased to 31.5% in FY2019/20.

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|-------------------------|---|---------------|
| | | <ul style="list-style-type: none"> • (JSR 2021) has noted the following achievement related to Nutrition Security (drawing from Nepal Multiple Indicator Cluster Survey, 2019. However, the extent of the EU BS's contribution is not clear. <ul style="list-style-type: none"> • Severe stunting decreased to 11.8% and moderate-to-severe stunting decreased to 31.5% in FY2019/20. • Severe underweight decreased to 6.5% and moderate-to-severe underweight decreased to 24.3% in FY2019/20. • Severe wasting decreased to 2.9% and moderate-to-severe wasting decreased to 12% in FY2019/20. <p>BS impact on food security</p> <ul style="list-style-type: none"> • JSR 2021 data is not up-to-date, and is as of 2016 (drawing from Detailed Household Survey, 2016 (page 18, Table 2.2). The extent of the EU BS's contribution is not clear. <ul style="list-style-type: none"> • Food-based poverty was estimated at 23.1% in 2011. About 10% of households were severely food insecure and an additional 22% households were moderately food insecure in 2016. <p>BS impact on gender</p> <ul style="list-style-type: none"> • JSR 2021 data is drawing from Central Bureau of Statistics, FY2020/21. The extent of the EU BS's contribution is not clear. <ul style="list-style-type: none"> • Women owned 19.5% of land in FY2018/19. <p>BS impact on inclusive development</p> <ul style="list-style-type: none"> • JSR 2021 data is not up-to-date, and is as of FY2017/18 (drawing from MOALD Progress Report, FY2017/18). The extent of the EU BS's contribution is not clear. <ul style="list-style-type: none"> • Farmers' access to agricultural programs had reached about 20% in FY2017/18. No estimation found for FY2020/21. <p>BS impact on increased competitiveness (based on JSR 2021)</p> <ul style="list-style-type: none"> • Agriculture trade deficit in FY2020/21 reached USD2,011.03million, which was USD1,659.25 million in FY2019/20 (source: Economic Survey, FY2020/21 (Page 127, Para 8.66). • Agriculture export in FY2020/21 was estimated at USD705.5 million against USD463.2 million in FY2019/20 (source: Dept. of Customs, 2019.). <p>BS TA impact: Contribution of ADS to enhance food security and competitiveness of agriculture at provincial and local level has been accomplished.</p> <ul style="list-style-type: none"> • As per the TA reports, "the improved governance has largely been attributed to the impact of the TCF to ADS interventions which has initiated actions to improve coordination at provincial and district level whilst contributing to designing improved planning and M&E systems. The main focus of MoLMAC activities seem to be interventions aimed at higher productivity – including investment for on-farm irrigation. This represents their core area of work. Profitable commercialization – a priority area of the ADS – appears to play a less significant role in most provinces with the exception of Province 1 and Bagmati. The barrier to commercialisation is largely an inability to attract private sector agribusiness investment and a limitation to this is the lack of infrastructure and facilities together with an attractive package of incentives. The last component on increased competitiveness reflects activities related to the enabling environment for agribusiness at provincial level as well as the promotion of agricultural exports competing with production from neighbouring countries. To some extent this component is best impacted at the federal level." | |

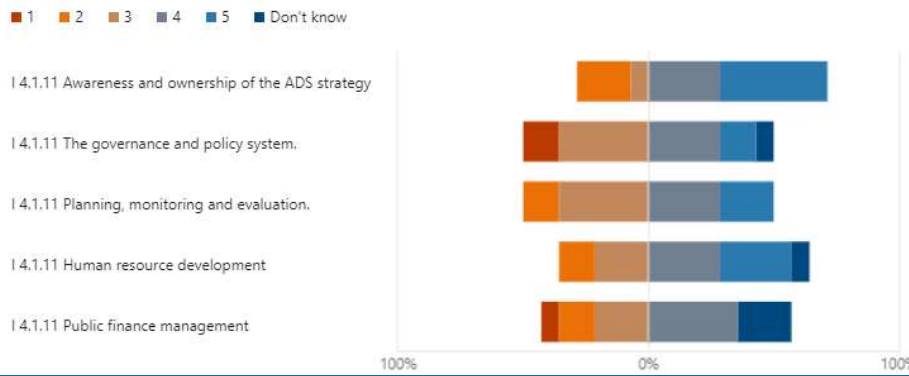
| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|-------------------------|---|-------------------------------------|
| | | <p>The BS impact is low, as per the primary data from the interviews and stakeholders' feedback. This concerns impact on all areas (see the chart on the right). Although the impact on food security is higher compared to other areas.</p>  <p>Legend: 1 (dark red), 2 (orange), 3 (light orange), 4 (grey), 5 (blue), Don't know (dark blue)</p> <p>Categories and approximate distributions (from left to right):</p> <ul style="list-style-type: none"> BS impact on development outcomes in Agriculture sector: 2, 3, 4, 5 BS impact on nutrition: 1, 2, 3, 4, 5 BS impact on food security: 2, 3, 4, 5 BS impact on gender: 1, 2, 3, 4, 5 BS impact on inclusive development: 2, 3, 4, 5 BS impact on poverty reduction: 2, 3, 4, 5 BS impact on increased competitiveness: 2, 3, 4, 5 BS impact on higher and more equitable incomes: 1, 2, 3, 4, 5 BS technical assistance impact: 2, 3, 4, 5 BS financial assistance impact: 2, 3, 4, 5 | <p>Online survey</p> |
| | | <ul style="list-style-type: none"> • There is positive contribution such as improving nutrition, food security and gender but there is data to establish a clear link. Data on nutrition is taken by other organizations every five years. • The intervention assumptions were met in most of the cases (such as Stakeholders remain committed to ADS implementation and ADSISU is engaged and committed to improving its capacity for ADS roll-out) whereas other assumptions were not met (such as inter-sectoral coordination, staff inadequacy and federalization). • There were some challenges such as weak collaboration among the government stakeholders, the unclear role of TA without a strong supervising structure, inadequate human resources at the sub-national level etc. | <p>Interview data (KIs and Gis)</p> |
| | | <p>See below (JC4.1.1.2-JC4.1.5)</p> | <p>Secondary data review</p> |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---|--|--|---------------|------|-------|------------------------|----------|------|------|------------------------|--------------|------|------|-------------------------|--------------|------|------|--|--|------|------|--|
| | <p>JC4.1 The BS Outcomes have been achieved.</p> | <ul style="list-style-type: none"> Mixed feedback has been received from the stakeholders. Many stakeholders consulted (around 20% of the online survey) couldn't comment regarding BS outcomes achieved. <p>It is noted that, the BS contributed positively toward the achievement of the outcomes. The contribution was, however, more visible for O2: Higher Productivity and O3: Increased and profitable commercialisation of agricultural products, than to O1: Improved Governance in the sector, including coordination, planning, GESI, and Food Security and O4: Increased competitiveness</p> <p>See below (JC4.1.1.2-JC4.1.5)</p>  | Online survey | | | | | | | | | | | | | | | | | | | | |
| | <p>JC4.1.2 The BS Outcome 1: Governance has been achieved.</p> | <p>Improved Governance in the sector, including coordination, planning, GESI, and Food Security</p> <ul style="list-style-type: none"> There is no indicator related to this results statement in the logframe. Therefore, the ROM, November 2020 didn't assess. See details in JC3.4.4 There are tangible achievements in EU TA results (and specifically I 3.4.4.B Achievement in Result 2: Governance and policies) No such improvement was noted. This is a small support and TA was just for a short period (which was again affected by the COVID pandemic). The government at all level were positive but there was no adequate activity and time to work on it. The assumption for this related to improved budget, partial integration of GESI, quick staff transfer, weak planning and monitoring systems, inadequate collaboration among the stakeholders, and market access/information are not adequate (assumption partially held) | <p>Interview data (KIs and Gis)</p> <p>Secondary data review</p> <p>Interview data (KIs and Gis)</p> | | | | | | | | | | | | | | | | | | | | |
| | <p>JC4.1.3 The BS Outcome 2: Productivity have been achieved.</p> | <p>The BS Outcome 2: Productivity</p> <ul style="list-style-type: none"> The target has been met for this outcome indicator: Average annual growth of Agricultural GDP (as per the ROM, November 2020) with the actual value (2019) of 5.10 compared to final target (2021) of 4.00 and to baseline (2015) of 2.23. However, the ROM notes that: a) the value is an estimation, and b) one cannot take for granted that the value will remain or improve in the last year of implementation of the intervention (2021). <table border="1" data-bbox="604 1036 1696 1205"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2020</td> <td>2.23</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>4.00</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2019</td> <td>5.10</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>2.64</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Ref. JSR 2021 report page 9. Agriculture GDP (AGDP) is estimated to have grown by 2.64% in FY2020/21, which was estimated to have grown by 2.23% in FY2019/20 (source: Economic Survey, FY2020/21 (Annex 1.1, page 1)) The intervention – especially at the national level has support in improving productivity but there was no data to justify this correlation. | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2020 | 2.23 | January 2020 (Round 6) | Final Target | 2021 | 4.00 | November 2020 (Round 7) | Actual Value | 2019 | 5.10 | | | 2021 | 2.64 | <p>Secondary data review</p> <p>Interview data (KIs and Gis)</p> |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2020 | 2.23 | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | 4.00 | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2019 | 5.10 | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | 2.64 | | | | | | | | | | | | | | | | | | | | |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|---|------------------------------|---------------|------|-------|------------------------|----------|------|-----|------------------------|--------------|------|-----|-------------------------|--------------|------|-------|--|--|------|-------|------------------------------|
| | | <ul style="list-style-type: none"> But there was no direct support to improve productivity. There was good support from the government and through improved capacity and planning process – have helped in improving the productivity The assumption for this related to improved budget, partial integration of GESI, quick staff transfer, weak planning and monitoring systems, and inadequate collaboration among the stakeholders are not adequate (assumption partially held) | | | | | | | | | | | | | | | | | | | | | |
| | JC4.1.4 The BS Outcome 3: Commercialisation have been achieved | <p>Increased and profitable commercialisation of agricultural products</p> <ul style="list-style-type: none"> The target has been met for this outcome indicator: Agribusiness as part of GDP (as per the ROM, November 2020). with the actual value (2018) of 9.98% compared to final target (2021) of 9 and to baseline (2015) of 8. However, the ROM notes that: a) the value is an estimation, and b) one cannot take for granted that the value will remain or improve in the last year of implementation of the intervention (2021). <table border="1" data-bbox="604 480 1696 646"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>8%</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>9%</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2018</td> <td>9.98%</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>9.78%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> JSR 2021 report page 8. Agribusiness GDP is perceived to have increased by 9.78%¹⁹ in FY2020/21, given govt.'s high priority in agribusiness development, although there is no mechanism to annually monitor progress. (source: JSR team's estimates based on selected indicators.) | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 8% | January 2020 (Round 6) | Final Target | 2021 | 9% | November 2020 (Round 7) | Actual Value | 2018 | 9.98% | | | 2021 | 9.78% | |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 8% | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | 9% | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2018 | 9.98% | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | 9.78% | | | | | | | | | | | | | | | | | | | | |
| | JC4.1.5 The BS Outcome 4: Competitiveness has been achieved. | <p>Increased competitiveness</p> <ul style="list-style-type: none"> The target has been <u>partially</u> met for this outcome indicator: Agri-food exports (as per the ROM, November 2020): the baseline was 225 million USD in 2015, and the final target for 2021 is 465 million USD. In 2019, the annual value of the exports was increased to 302 (estimation) which is a partial achievement. However, there are still two years until the final target is achieved. <table border="1" data-bbox="604 984 1696 1149"> <thead> <tr> <th>RR Exercise</th> <th>Type of value</th> <th>Year</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January 2020 (Round 6)</td> <td>Baseline</td> <td>2015</td> <td>225</td> </tr> <tr> <td>January 2020 (Round 6)</td> <td>Final Target</td> <td>2021</td> <td>465</td> </tr> <tr> <td>November 2020 (Round 7)</td> <td>Actual Value</td> <td>2019</td> <td>302</td> </tr> <tr> <td></td> <td></td> <td>2021</td> <td>705.5</td> </tr> </tbody> </table> <ul style="list-style-type: none"> (JSR 2021 report page 8). Agriculture export in FY2020/21 was estimated at USD705.5 million against USD463.2 million in FY2019/20. (source: Dept. of Customs, 2019) | RR Exercise | Type of value | Year | Total | January 2020 (Round 6) | Baseline | 2015 | 225 | January 2020 (Round 6) | Final Target | 2021 | 465 | November 2020 (Round 7) | Actual Value | 2019 | 302 | | | 2021 | 705.5 | Interview data (KIs and Gis) |
| RR Exercise | Type of value | Year | Total | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Baseline | 2015 | 225 | | | | | | | | | | | | | | | | | | | | |
| January 2020 (Round 6) | Final Target | 2021 | 465 | | | | | | | | | | | | | | | | | | | | |
| November 2020 (Round 7) | Actual Value | 2019 | 302 | | | | | | | | | | | | | | | | | | | | |
| | | 2021 | 705.5 | | | | | | | | | | | | | | | | | | | | |
| | | <ul style="list-style-type: none"> The intervention – especially at the national level has support in improving productivity but there was no data to justify this correlation. But there was no direct support to improve the Competitiveness. | Interview data (KIs and Gis) | | | | | | | | | | | | | | | | | | | | |

¹⁹ JSR team's estimates based on the AGDP share of tea, vegetables, milk, poultry, meat, and eggs.

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|---------------|------------|----------------|------------|-----------------|--|----------|----------|--|---|---|---|--|--|-----|-----|--|--|---|---|---|--|----|----|---|---|----------|----------|--|---|--------------------|---------|--|--|----|----|--|---|---|----|-----------------------------|--|-----|-----|---|
| | | <ul style="list-style-type: none"> There was good support from the government and through improved capacity and planning process – have helped in improving the Competitiveness. The assumption for this related to improved budget, partial integration of GESI, quick staff transfer, weak planning and monitoring systems, inadequate collaboration among the stakeholders, and market access/information are not adequate (assumption partially held) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>JC4.1.6 The EU TA outcomes has been achieved.</p> | <p>The TA progress final report provides the actual endline against the end target for each outcome indicators.</p> <table border="1" data-bbox="558 383 1829 928"> <thead> <tr> <th data-bbox="558 383 894 407">Outcomes</th> <th data-bbox="894 383 1493 407">Indicators</th> <th data-bbox="1493 383 1675 407">Actual Endline</th> <th data-bbox="1675 383 1829 407">End target</th> </tr> </thead> <tbody> <tr> <td data-bbox="558 407 894 456">Outreach</td> <td data-bbox="894 407 1493 456">Number of provinces and municipalities supported by the TCF: A. Provinces and B. Municipalities</td> <td data-bbox="1493 407 1675 456">7 753</td> <td data-bbox="1675 407 1829 456">7 753</td> </tr> <tr> <td data-bbox="558 456 894 505">Goal: Contribution of ADS to enhance food security and competitiveness of agriculture at provincial and local level</td> <td data-bbox="894 456 1493 505">Number of provinces increasing annually their budget for agriculture by 10%</td> <td data-bbox="1493 456 1675 505">7</td> <td data-bbox="1675 456 1829 505">4</td> </tr> <tr> <td data-bbox="558 505 894 553"></td> <td data-bbox="894 505 1493 553">Number of municipalities increasing annually their budget for agriculture by 10%</td> <td data-bbox="1493 505 1675 553">210</td> <td data-bbox="1675 505 1829 553">150</td> </tr> <tr> <td data-bbox="558 553 894 602">Outcome 1. Awareness of ADS raised at all levels</td> <td data-bbox="894 553 1493 602">Number of Provinces where ADS is understood, integrated in provincial plans and activities</td> <td data-bbox="1493 553 1675 602">7</td> <td data-bbox="1675 553 1829 602">7</td> </tr> <tr> <td data-bbox="558 602 894 651">Outcome 2. ADS coordination mechanisms in place at all levels</td> <td data-bbox="894 602 1493 651">Provincial level coordination mechanisms functioning effectively</td> <td data-bbox="1493 602 1675 651">14</td> <td data-bbox="1675 602 1829 651">14</td> </tr> <tr> <td data-bbox="558 651 894 716">Outcome 3. Policy support studies and guidelines used for policy change</td> <td data-bbox="894 651 1493 716">No of studies conducted/ guidelines prepared for informed policy making processes, including: - Headquarter level and Provincial level</td> <td data-bbox="1493 651 1675 716">19 35</td> <td data-bbox="1675 651 1829 716">20 30</td> </tr> <tr> <td data-bbox="558 716 894 781">Outcome 4. Capacity strengthened to prepare agricultural plans</td> <td data-bbox="894 716 1493 781">No. of Provinces and Local governments having prepared quality plans that adapt ADS activities: - Provincial and Local Governments</td> <td data-bbox="1493 716 1675 781">7 35 (estimate)</td> <td data-bbox="1675 716 1829 781">7 35</td> </tr> <tr> <td data-bbox="558 781 894 829">Outcome 5. Capacity for M&E at local level</td> <td data-bbox="894 781 1493 829">Number of pilot municipalities where Information from database used in planning and reporting system</td> <td data-bbox="1493 781 1675 829">35</td> <td data-bbox="1675 781 1829 829">35</td> </tr> <tr> <td data-bbox="558 829 894 878">Outcome 6. Capacity for training and technical support</td> <td data-bbox="894 829 1493 878">No. of provincial training centres/ units with capacity to design and implement technical training programmes</td> <td data-bbox="1493 829 1675 878">2</td> <td data-bbox="1675 829 1829 878">10</td> </tr> <tr> <td data-bbox="558 878 894 928">Outcome 7. Capacity for PFM</td> <td data-bbox="894 878 1493 928">Percentage of budgetary targets reached for approval of CARD funds</td> <td data-bbox="1493 878 1675 928">80%</td> <td data-bbox="1675 878 1829 928">80%</td> </tr> </tbody> </table> | Outcomes | Indicators | Actual Endline | End target | Outreach | Number of provinces and municipalities supported by the TCF: A. Provinces and B. Municipalities | 7 753 | 7 753 | Goal: Contribution of ADS to enhance food security and competitiveness of agriculture at provincial and local level | Number of provinces increasing annually their budget for agriculture by 10% | 7 | 4 | | Number of municipalities increasing annually their budget for agriculture by 10% | 210 | 150 | Outcome 1. Awareness of ADS raised at all levels | Number of Provinces where ADS is understood, integrated in provincial plans and activities | 7 | 7 | Outcome 2. ADS coordination mechanisms in place at all levels | Provincial level coordination mechanisms functioning effectively | 14 | 14 | Outcome 3. Policy support studies and guidelines used for policy change | No of studies conducted/ guidelines prepared for informed policy making processes, including: - Headquarter level and Provincial level | 19 35 | 20 30 | Outcome 4. Capacity strengthened to prepare agricultural plans | No. of Provinces and Local governments having prepared quality plans that adapt ADS activities: - Provincial and Local Governments | 7 35 (estimate) | 7 35 | Outcome 5. Capacity for M&E at local level | Number of pilot municipalities where Information from database used in planning and reporting system | 35 | 35 | Outcome 6. Capacity for training and technical support | No. of provincial training centres/ units with capacity to design and implement technical training programmes | 2 | 10 | Outcome 7. Capacity for PFM | Percentage of budgetary targets reached for approval of CARD funds | 80% | 80% | <p>Secondary data review: TA progress reports</p> |
| Outcomes | Indicators | Actual Endline | End target | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outreach | Number of provinces and municipalities supported by the TCF: A. Provinces and B. Municipalities | 7 753 | 7 753 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goal: Contribution of ADS to enhance food security and competitiveness of agriculture at provincial and local level | Number of provinces increasing annually their budget for agriculture by 10% | 7 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Number of municipalities increasing annually their budget for agriculture by 10% | 210 | 150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 1. Awareness of ADS raised at all levels | Number of Provinces where ADS is understood, integrated in provincial plans and activities | 7 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 2. ADS coordination mechanisms in place at all levels | Provincial level coordination mechanisms functioning effectively | 14 | 14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 3. Policy support studies and guidelines used for policy change | No of studies conducted/ guidelines prepared for informed policy making processes, including: - Headquarter level and Provincial level | 19 35 | 20 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 4. Capacity strengthened to prepare agricultural plans | No. of Provinces and Local governments having prepared quality plans that adapt ADS activities: - Provincial and Local Governments | 7 35 (estimate) | 7 35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 5. Capacity for M&E at local level | Number of pilot municipalities where Information from database used in planning and reporting system | 35 | 35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 6. Capacity for training and technical support | No. of provincial training centres/ units with capacity to design and implement technical training programmes | 2 | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outcome 7. Capacity for PFM | Percentage of budgetary targets reached for approval of CARD funds | 80% | 80% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--|---|--|--|
| | | <p>The percentage of respondents that think the following TA outcomes have been achieved:</p> <ul style="list-style-type: none"> Awareness and ownership of the ADS strategy: around 72% The governance and policy system: around 43% Planning, monitoring and evaluation: around 50% Human resource development: around 58% Public finance management: around 35%, whereas 21% doesn't know. <p>49. 4.1.11: To what extent the TA Outcomes have been achieved?</p> <p>More Details</p>  <p>Legend: 1 (dark red), 2 (orange), 3 (light orange), 4 (grey), 5 (blue), Don't know (dark blue)</p> | <p>Online survey</p> |
| Step 2: Expected and actual outcomes. | | <ul style="list-style-type: none"> The EU Technical Cooperation Facility (TCF) has been supporting the promotion of relevance, effectiveness, efficiency, impact, and sustainability of ADS implementation. The assumption for this related to improved budget, partial integration of GESI, quick staff transfer, weak planning and monitoring systems, inadequate collaboration among the stakeholders, and market access/information are not adequate (assumption partially held) | <p>Interview data (Kilis and Gis)</p> |
| EQ4.2 Which have been the determining factors of the BS achievement? | JC4.2.1 There are a number of determining factors of the BS impact. | <ul style="list-style-type: none"> During the desk review the following assumptions have been hypothesised to underpin the Theory of Change for the IMPACT). IF sufficient resources and more efficient spending is in place with improved coordination, monitoring and results oriented planning, as well as with improved implementation capacity; IF the government has conducive policy for the private sector engagement and farmer producer organizations (FPOs); IF the Government has the private sector friendly policies, and IF enterprising farmers get incentives and basic services; IF development partner including the EU contribute to the implementation of the government prioritised programmes; IF the EU intervention support ADS as a whole, and address the challenges through budget support, policy dialogue and technical cooperation; IF the MoALD and the Local Governments report on ADS implementation and Joint Sector Review provides valuable input to improve the agriculture sector, THEN the EU CARD programme will contribute to poverty reduction, to food and nutrition security, to climate resilience, to the improved competitiveness of the sector generating higher and more equitable incomes in rural areas of Nepal. (JSR 2021) Almost 40 percent (on average) of approved technical staff positions are vacant at the federal, provincial, and local levels, with the highest number of vacancies (50 percent) in federal departments, provincial ministries, and local level, and the lowest number of vacancies (16 percent) in the federal ministry. The absence of federal Public Service Act and rules and approved structure and functions of federal level organizations have stalled filling vacant staff positions, although staff needs are mitigated to some extent through hirings on a contractual basis. There is also an absence of existing staff skills and development plans, particularly at the provincial and local levels, which limits the delivery of services demanded by farmers and agribusinesses. | <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and documents |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--|----------|----------|------------|----------|----------|------------|--|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|----------------------------------|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|--|----|----|----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|--|----|----|----|-----|-----|-----|---------------|
| | <p>As per the stakeholders' feedback, the following determining factors are instrumental and have been (are being) largely implemented:</p> <ul style="list-style-type: none"> Development partners including the EU contribute to the implementation of the government prioritized programmes. Joint Sector Review provides valuable input to improve the agriculture sector. The government has conducive policy for the private sector engagement and farmer producer organisations (FPOs). The EU intervention supporting ADS as a whole, and addressing the challenges through budget support, policy dialogue and technical cooperation. <p>However, the following remain behind:</p> <ul style="list-style-type: none"> Sufficient resources and more efficient spending Improved coordination, monitoring and results oriented planning. Improved implementation capacity <p>ADS reporting by MoALMC, MoEWRI, and the Local Governments.</p> | <p>Legend: 1 (dark red), 2 (orange), 3 (light orange), 4 (grey), 5 (blue), Don't know (dark blue)</p> <table border="1"> <caption>Approximate data from the bar chart</caption> <thead> <tr> <th>Finding</th> <th>Rating 1</th> <th>Rating 2</th> <th>Rating 3</th> <th>Rating 4</th> <th>Rating 5</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>Sufficient resources and more efficient spending</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>40%</td> </tr> <tr> <td>Improved coordination, monitoring and results oriented planning.</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>40%</td> </tr> <tr> <td>Improved implementation capacity</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>40%</td> </tr> <tr> <td>Government has conducive policy for the private sector engagement and farmer producer...</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>40%</td> </tr> <tr> <td>Development partner including the EU contribute to the implementation of the government prioritized...</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>10%</td> <td>10%</td> <td>70%</td> </tr> <tr> <td>The EU intervention supporting ADS as a whole, and addressing the challenges through budget support...</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>40%</td> </tr> <tr> <td>ADS reporting by MoALMC and the Local Governments.</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>40%</td> </tr> <tr> <td>Joint Sector Review provides valuable input to improve the agriculture sector.</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>10%</td> <td>10%</td> <td>80%</td> </tr> </tbody> </table> | Finding | Rating 1 | Rating 2 | Rating 3 | Rating 4 | Rating 5 | Don't know | Sufficient resources and more efficient spending | 10% | 10% | 10% | 10% | 10% | 40% | Improved coordination, monitoring and results oriented planning. | 10% | 10% | 10% | 10% | 10% | 40% | Improved implementation capacity | 10% | 10% | 10% | 10% | 10% | 40% | Government has conducive policy for the private sector engagement and farmer producer... | 10% | 10% | 10% | 10% | 10% | 40% | Development partner including the EU contribute to the implementation of the government prioritized... | 0% | 0% | 0% | 10% | 10% | 70% | The EU intervention supporting ADS as a whole, and addressing the challenges through budget support... | 10% | 10% | 10% | 10% | 10% | 40% | ADS reporting by MoALMC and the Local Governments. | 10% | 10% | 10% | 10% | 10% | 40% | Joint Sector Review provides valuable input to improve the agriculture sector. | 0% | 0% | 0% | 10% | 10% | 80% | Online survey |
| Finding | Rating 1 | Rating 2 | Rating 3 | Rating 4 | Rating 5 | Don't know | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sufficient resources and more efficient spending | 10% | 10% | 10% | 10% | 10% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Improved coordination, monitoring and results oriented planning. | 10% | 10% | 10% | 10% | 10% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Improved implementation capacity | 10% | 10% | 10% | 10% | 10% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Government has conducive policy for the private sector engagement and farmer producer... | 10% | 10% | 10% | 10% | 10% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Development partner including the EU contribute to the implementation of the government prioritized... | 0% | 0% | 0% | 10% | 10% | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The EU intervention supporting ADS as a whole, and addressing the challenges through budget support... | 10% | 10% | 10% | 10% | 10% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ADS reporting by MoALMC and the Local Governments. | 10% | 10% | 10% | 10% | 10% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Joint Sector Review provides valuable input to improve the agriculture sector. | 0% | 0% | 0% | 10% | 10% | 80% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <ul style="list-style-type: none"> it required adequate spending along with sufficient and capable staff Required a good strategic plan based on the agroecosystems, then result-oriented planning, implementation and monitoring mechanisms collaborative work among the government entities (3 tiers of the government) and with other CSOs/NGOs and private sector. Policies and institutional capacity are also important The role and responsibility of the stakeholder have to be clearly defined/agreed upon. Periodic review and feedback loop are required for improvement The focal ministry should be capable enough and also to provide adequate support to lead the sector | Interview data (KIs and Gis) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JC4.2.2 There are a number of determining factors of the BS outcomes. | | <p><i>During the desk review the following assumptions have been hypothesised to underpin the Theory of Change Assumptions regarding the BS Outcome 1: Governance have been accomplished.</i></p> <ul style="list-style-type: none"> Improved governance, including coordination, planning, GESI, and Food Security (Outcome 1) will be achieved in the sector, IF the GoN demonstrates ownership and commitment to the following: Higher capital expenditure and higher execution on spending in the agriculture sector; Yearly costed plans (for 3 to 5 years) and joint monitoring; Adoption and implementation of GESI action plan; Capacity development for Nutrition; Vulnerable groups to benefit from ADS and reduction of malnutrition; and Result based planning and following evidence-based MEL. This is BECAUSE the following direct outputs of CARD programme will result to improved capacity | Secondary data review, including: <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | |
|--------------------|--|---|--|-------------|-----------------|--|---|
| | | <p>of stakeholders for promoting accountability and equitable opportunities: Increased budgets for ADS and improved execution rate on capital spending (DO 1.1); Increased capacity of implementing agencies to plan, execute and monitor progress (DO 1.2); GESI mechanisms reinforced (DO 1.3); and Nutrition capacities in the sector strengthened at all levels (DO 1.4).</p> <p>Assumptions regarding the Outcome 2: Productivity has been accomplished.</p> <ul style="list-style-type: none"> Higher productivity (Outcome 2) will be achieved in the sector, IF the GoN demonstrates ownership and commitment to the following: Addressing bottlenecks to effective and timely capital spending; (Ministry of Irrigation) Improving planning and implementation readiness of investments; Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centres (CAESCs); and Enabling intersectoral collaborations to prevail on national priority sub-sector. This is BECAUSE the following direct outputs of CARD programme: Increased coverage of irrigation (DO 2.3) and Climate Change adaptation as well as DRR measures adopted and implemented (DO 2.4) will result to the following induced outputs: Research and extension systems become more accessible to farmers and strengthen resilience, market orientation and diversification (IO 2.1); and Improved land management (IO 2.2). <p>The assumptions regarding to Outcome 3: Commercialisation has been accomplished.</p> <ul style="list-style-type: none"> Increased and profitable commercialisation of agricultural products (Outcome 3) will be achieved in the sector, IF the GoN demonstrates ownership and commitment to the following: Addressing bottlenecks to effective and timely capital spending; (Ministry of Irrigation) Improving planning and implementation readiness of investments; (Ministry of Agriculture - MoALD) Increasing commercialisation of agricultural products, development of agribusiness; (MoALD) Reforms to accelerate the commercialisation of agriculture, stimulating investments in agro-processing and optimising land use. This is BECAUSE sustainable/self-financing (and inclusive) value chain demonstrated at national level will be achieved triggered by following direct output of CARD programme: Selected value chains strengthened sub-sector –wide, in particular dairy, lentils, maize, tea and vegetables (DO 3.1). <p>The assumptions regarding Outcome 4: Competitiveness have been accomplished.</p> <ul style="list-style-type: none"> Increased competitiveness (Outcome 4) will be achieved in the sector, IF the GoN demonstrates ownership and commitment to the following: Reinforce agriculture extension services closer to the farmers; (Ministry of Agriculture – MoALD and municipalities) Deployment of Agriculture Technicians at local level, as a first step towards the establishment of Community Agriculture Extension Centers (CAESCs); (MoALD) Active promotion of and ownership by women; and Harmonisation of sectoral policies and support to stakeholders. This is BECAUSE enhanced competitiveness in the sector through innovation, quality control, market infrastructure and export promotion will be achieved triggered by following direct output of CARD programme: support with innovative tools and approaches to larger (federal level) value chain, including quality control, market infrastructure, private sector engagement, export promotion and creating enabling environment. | <p>Action Document.</p> <ul style="list-style-type: none"> EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports and accompanied documents. EU TCF contract, reports and accompanied documentation. | | | | |
| | <p>JC4.2.3 There are a number of determining factors of the BS TA impact and JC4.2.4 There are a number of determining</p> | <ul style="list-style-type: none"> It required adequate spending along with sufficient and capable staff Required a good strategic plan based on the agroecosystems, then result-oriented planning, implementation and monitoring mechanisms collaborative work among the government entities (3 tiers of the government) and with other CSOs/NGOs and private sector. Policies and institutional capacity are also important The role and responsibility of the stakeholder have to be clearly defined/agreed upon. Periodic review and feedback loop are required for improvement The focal ministry should be capable enough and also to provide adequate support to lead the sector. <p>Assumptions regarding The EU TA outcomes have been accomplished.</p> <ul style="list-style-type: none"> JSR 2021 observed the following challenges which are faced by EU TA: During its implementation, the TCF experienced some challenges, which include: (i) weak federal and provincial inter-ministerial coordination and follow-up mechanisms, (ii) shifts in government priorities, (iii) unclear roles of TCF in decision-making processes, (iv) weak coordination among DPs, (v) competing priorities on scarce skilled human resources, (vi) lack of prioritization of programs and budgetary processes, (vii) limited realization of the importance of agriculture by local governments, and (viii) weak capacity of extension workers. There is no information regarding the status of assumptions and how they were managed. <table border="1" data-bbox="583 1247 1797 1295"> <thead> <tr> <th data-bbox="583 1247 1073 1271">Outcome</th> <th data-bbox="1073 1247 1797 1271">Assumptions</th> </tr> </thead> <tbody> <tr> <td data-bbox="583 1271 1073 1295">Outreach</td> <td data-bbox="1073 1271 1797 1295">No. of municipalities covered intensively depend on the COVID situation.</td> </tr> </tbody> </table> | Outcome | Assumptions | Outreach | No. of municipalities covered intensively depend on the COVID situation. | <p>Interview data (KIIs and Gis)</p> <p>Secondary data review, including:</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. |
| Outcome | Assumptions | | | | | | |
| Outreach | No. of municipalities covered intensively depend on the COVID situation. | | | | | | |

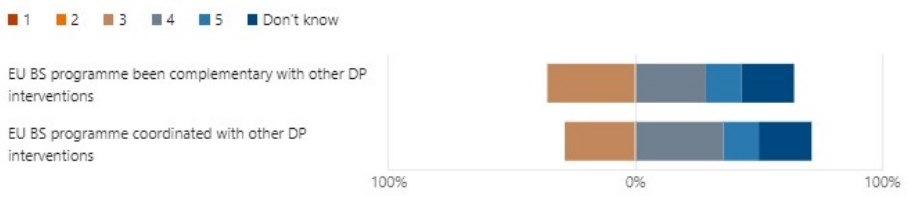
| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | | Evidence/ SOI |
|--------------------|---|--|--|--|
| | factors of the BS TA Outcomes. | <p>Goal: Contribution of ADS to enhance food security and competitiveness of agriculture at provincial and local level</p> | The increase in budget might take place in some provinces/municipalities whilst in others it may shows signs of decreases. | <ul style="list-style-type: none"> • EU Disbursements notes and files. • ADS Joint Sector Review (JSR) reports and accompanied documents. • EU TCF contract, reports and accompanied documentation. |
| | Outcome 1. Awareness of ADS raised at all levels | - | | |
| | Outcome 2. ADS coordination mechanisms in place at all levels | <ul style="list-style-type: none"> - Coordination Act passed by parliament. - Priority of MOLMAC to support establishing coordination mechanisms. - Coordination mechanism are internalized in the regular budget and programs. | | |
| | Outcome 3. Policy support studies and guidelines used for policy change | - | | |
| | Outcome 4. Capacity strengthened to prepare agricultural plans | Effectiveness of support provided by ADS experts. | | |
| | Outcome 5. Capacity for M&E at local level | Support provided by municipality mayors. | | |
| | Outcome 6. Capacity for training and technical support | Support of directors of training centres. | | |
| | Outcome 7. Capacity for PFM | CARD performance targets met and adequately reported to ADS coordination unit. | | |
| | <ul style="list-style-type: none"> • it required adequate spending along with sufficient and capable staff • Required a good strategic plan based on the agroecosystems, then result-oriented planning, implementation and monitoring mechanisms • collaborative work among the government entities (3 tiers of the government) and with other CSOs/NGOs and private sector. • Policies and institutional capacity are also important • The role and responsibility of the stakeholder have to be clearly defined/agreed upon. • Periodic review and feedback loop are required for improvement • The focal ministry should be capable enough and also to provide adequate support to lead the sector • TA's scope to be outlined clearly along with the steering structure | | Interview data (KIIs and Gis) | |
| | JC4.2.4 There are a number of determining factors of the BS policy dialogue. | <p>No data is available.</p> <ul style="list-style-type: none"> • Policy needs assessment • Willingness and buy-in from the government side • Competitive technical assistance | | |


5: EU added value

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI | | | | | | | | |
|---|---|---|--------------------------------|----------------|---|--|--|---|---|--|--|
| Step 2: EU BS expected and actual outcomes and impact | | | | | | | | | | | |
| EQ5: To what extent the fact that the BS programme has been financed by the EU has had added benefits to what would have resulted from other Development Partners interventions only? | JC5.1: The EU BS programme has added benefits to the results from other Development Partners interventions. | <ul style="list-style-type: none"> The EU has been a key partner supporting to the implementation of the Annual JSR Meeting Actions. Below are key added value as highlighted in JSR 2021. <table border="1" data-bbox="506 358 1787 623"> <thead> <tr> <th data-bbox="506 358 877 383">JSR Actions</th> <th data-bbox="888 358 1787 383">EU added value</th> </tr> </thead> <tbody> <tr> <td data-bbox="506 383 877 456">Action 1: Include policy and program-related activities in annual programs of MOALD, PAMs, and DPs</td> <td data-bbox="888 383 1787 456"> <ul style="list-style-type: none"> EU is among the three DPs (including USAID, and SDC) along the MOALD, PAMs, and three that included support to policy consultation/orientation in their annual programs. </td> </tr> <tr> <td data-bbox="506 456 877 574">Action 2: Organize NAP and NAES consultations with subnational stakeholders, and collect feedback</td> <td data-bbox="888 456 1787 574"> <ul style="list-style-type: none"> Subnational consultations, led by PAMs, completed in Gandaki and Madhesh Provinces. MOALD is preparing detailed schedules in coordination with concerned PAMs and DPs to complete consultations by quarter 3. USAID will co-finance the consultations in SPP and LP; EU in GP,MP, BP and KP; and SDC in P1. </td> </tr> <tr> <td data-bbox="506 574 877 623">Action 3: Organize subnational orientation on CLID and SFDMD</td> <td data-bbox="888 574 1787 623"> <ul style="list-style-type: none"> USAID will co-finance the orientation in SPP, LP; EU in GP, MP, BP, and KP; and SDC in P1. </td> </tr> </tbody> </table> <ul style="list-style-type: none"> (TA final report) The TCF also provided direct support to ADSCS to strengthen its capacity for overall coordination of ADS implementation in relation to other ongoing programmes. This task entailed making use of existing dialogue mechanisms used by donor funded projects so as to ensure coordination among programmes, avoid duplication and leverage synergies. To this end, the TCF assisted ADSCS in facilitating consultations and meetings among different stakeholders and donors involved in ADS components and programmes and proposed recommendation to ensure coherence of actions. | JSR Actions | EU added value | Action 1: Include policy and program-related activities in annual programs of MOALD, PAMs, and DPs | <ul style="list-style-type: none"> EU is among the three DPs (including USAID, and SDC) along the MOALD, PAMs, and three that included support to policy consultation/orientation in their annual programs. | Action 2: Organize NAP and NAES consultations with subnational stakeholders, and collect feedback | <ul style="list-style-type: none"> Subnational consultations, led by PAMs, completed in Gandaki and Madhesh Provinces. MOALD is preparing detailed schedules in coordination with concerned PAMs and DPs to complete consultations by quarter 3. USAID will co-finance the consultations in SPP and LP; EU in GP,MP, BP and KP; and SDC in P1. | Action 3: Organize subnational orientation on CLID and SFDMD | <ul style="list-style-type: none"> USAID will co-finance the orientation in SPP, LP; EU in GP, MP, BP, and KP; and SDC in P1. | Secondary data review, including <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports, documents. EU TCF reports, documents. |
| JSR Actions | EU added value | | | | | | | | | | |
| Action 1: Include policy and program-related activities in annual programs of MOALD, PAMs, and DPs | <ul style="list-style-type: none"> EU is among the three DPs (including USAID, and SDC) along the MOALD, PAMs, and three that included support to policy consultation/orientation in their annual programs. | | | | | | | | | | |
| Action 2: Organize NAP and NAES consultations with subnational stakeholders, and collect feedback | <ul style="list-style-type: none"> Subnational consultations, led by PAMs, completed in Gandaki and Madhesh Provinces. MOALD is preparing detailed schedules in coordination with concerned PAMs and DPs to complete consultations by quarter 3. USAID will co-finance the consultations in SPP and LP; EU in GP,MP, BP and KP; and SDC in P1. | | | | | | | | | | |
| Action 3: Organize subnational orientation on CLID and SFDMD | <ul style="list-style-type: none"> USAID will co-finance the orientation in SPP, LP; EU in GP, MP, BP, and KP; and SDC in P1. | | | | | | | | | | |
| | | <ul style="list-style-type: none"> Around 43% of respondents consider the EU BS programme has added benefits to the results from other Development Partners interventions, whereas 36% doesn't know.  | Online survey | | | | | | | | |
| | | <ul style="list-style-type: none"> There was a good EU -added value through this initiative Supported in JSR Provided learning through BS mechanisms (it is new for them) helped to coordinate/engage DPs (for coordinated work in agriculture) But, still how the BS functions and how the BS support to Agriculture sector is not clear. Improved collaboration and coordination among the different tiers of the government (especially the federal and provincial governments) | Interview data (Kilis and Gis) | | | | | | | | |

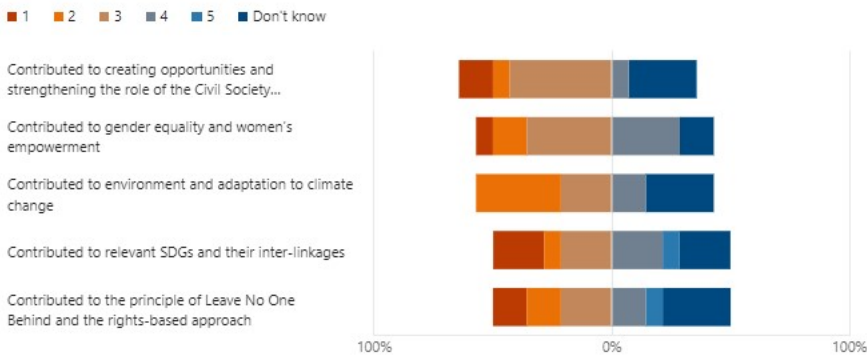
6: Coherence

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|---|---|---|---|
| Step 2: EU BS expected and actual outcomes and impact | | | |
| EQ6.1: To what extent has the BS programme been complementary and coordinated to the interventions of other Development Partners? | JC6.1: The BS programme been complementary and coordinated to the interventions of other Development Partners | <p>The EU BS programme been complementary with other DP interventions.</p> <ul style="list-style-type: none"> The EU BS programme has been complementary with other EU and DP interventions with key ones highlighted below from the Action document. During the field phase further evidence will be collected regarding the complementarity. There will be a strong synergy between the efforts related to competitiveness under this action and existing EU actions on trade that reinforce the capacity of Nepal to check the quality of its (export) products. In addition to the 5 value chains prioritized under ADS (dairy, lentil, maize, tea and vegetables), the Trade programme also supports the coffee value chain. The new EU Nepal cooperation on vocational training (TVET Practical Partnership) focuses on agriculture, tourism and construction which reinforces this ADS intervention. By diversifying the range of food produced, the action will reinforce the Multi Sector Nutrition Plan also supported by the EU. The focus of the new WAVE programme on the improvement of livelihoods in remote and marginal areas of the Far West and Western regions by addressing key constraints in their development like access to energy, irrigation, markets, water and sanitation as well as low agriculture yields, will further strengthen EU's contribution to food security, social inclusion and regional cohesion. <p>The EU BS programme coordinated with other DP interventions.</p> <ul style="list-style-type: none"> The EU BS programme has been in coordinated with other EU and DP interventions with key ones highlighted below from the Action document. During the field phase further evidence will be collected regarding the complementarity. Several donors and UN agencies are supporting the sector, mainly: WB, ADB, IFAD, FAO, USAID, GIZ, SDC, JICA, KOICA, and the EU. A more operational platform for government/donor coordination, monitoring and joint review is ongoing with EU, ADB, WB and USAID being the main interlocutors of the Ministry of Agriculture Development. The National ADS Coordination Committee (NADSCC) is the Forum defined in ADS for higher level policy dialogue on ADS. Three donor representatives, presently ADB, the World Bank and FAO are permanent members of the NADSCC, and other donors can be invited, which will be the case for the EU once the FA is signed. (EU disbursement note). The Development Partner Food Security Group is composed of a broad range of agencies (and in particular all members of the ADS JSR technical committee), and despite its name focuses its discussions on ADS. The group objective is to provide a donor coordinated support to the government for the implementation of the ADS. The group met 10 times during FY 2018/19. (JSR 2021) The JSR mechanism is evolving as a viable platform for regular interactions between the GON and DPs (including between federal and subnational levels) on agriculture sector performance. It is also a mechanism for jointly identifying national priority issues, seeking measures for resolutions, and promoting accountability among key stakeholders for agriculture development. JSR is also emerging as an effective mechanism for improving communications and coordination between the GON and DPs, and for jointly conducting periodic sector reviews, identifying key operational issues, and pursuing actions to jointly address them. Therefore, the JSR mechanism has the potential to further grow and be institutionalised. JSR 2021 recommendations: The JSR mechanism, established jointly by the GON and DPs, should continue its operations, including holding bi-monthly TC meetings and annual JSR meetings expanded to subnational levels. Representatives from federal and provincial ministries, urban and rural municipalities, and the private sector should continue participating in annual JSR meetings. Representatives from relevant NGOs should also be included in the annual meeting. The GON should expedite institutionalization of the JSR mechanism and continue conducting annual joint reviews of the agriculture sector against ADS targets, identifying sector issues, agreeing on actions, and executing actions in a coordinated manner to sustainably contribute to enhanced sector performance. TA final report. The TCF also provided direct support to ADSCS to strengthen its capacity for overall coordination of ADS implementation in relation to other ongoing programmes. This task entailed making use of existing dialogue mechanisms used by donor funded projects so as to ensure coordination among programmes, avoid duplication and leverage synergies. To this end, the TCF assisted ADSCS in facilitating consultations and meetings among different stakeholders and donors involved in ADS components and programmes and proposed recommendation to ensure coherence of actions. | <p>Secondary data review, including</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports, documents. ROM 2020 EU TCF contract, reports, documents. |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--|--|--|--|
| | | <p>Around 43% of respondents consider the EU BS programme has been complementary and around 50% consider it has been coordinated to the interventions of other Development Partners. The following specific feedback has been received from the stakeholders:</p> <ul style="list-style-type: none"> • Support through the Joint Sector Review mechanism at federal level and actions taken at provincial level by the TA team to improve inter sectoral coordination. • The TCF led in the process of PADS. EU TA coordinated with other development partners while formulating Provincial ADS. Likewise, EU TA coordinated with other development partners (such as USAID and Swiss Development Cooperation) while designing and implementing capacity building activities. EU BS programme being complementary with other DP interventions in Nepal. <p>■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ Don't know</p>  <ul style="list-style-type: none"> • A clear coherence with DP's work but little collaboration among them. | Online survey |
| EQ6.2: To what extent has the BS Programme been coherent with EU policies in the sector? | JC6.2: The BS programme been coherent with EU policies in the sector | <p>The EU BS programme been coherent with EU policies in the sector.</p> <ul style="list-style-type: none"> • The EU BS programme has been coherent with EU policies in the sector, with key ones highlighted below from the EU FA, Action document and disbursement files. During the field phase further evidence will be collected regarding this coherence. • This programme complements other EU projects in the country, notably on nutrition, vocational training, trade, fiscal federalism and is coordinated with other stakeholders including development partners. • This programme was part of the focal sector 'Rural Development' of the EU-Nepal Multi-Annual Indicative Programme 2014-2020, contributing in particular to the following result areas: profitable agricultural commercialization and sustainable agriculture guaranteeing food security. It also was planned to partially contribute to improved nutrition, though this is mainly addressed by another action. It is designed to also contribute to implementing Nepal's NDCs and, in particular, enhance the resilience of its people to the impacts of climate change by supporting climate-smart agricultural development. • The programme was guided by the new European Consensus for Development 2017, notably its dimensions "People, Planet, Prosperity, Peace and Partnership" and uses the development building blocks of poverty eradication, inclusive growth and jobs creation, while paying due attention to the development enablers gender equality, improved nutrition and resilience. • The programme was designed to contribute to achieving the objectives of the EU Food Security Policy Framework (2012), the Resilience Communication (2012) and the Nutrition Communication and action plan (2013-2014). • The action is also complementary to EU cooperation which focuses on Disaster Risk Reduction and climate change, where Local Adaptation Plans (LAPAs) are often agriculture related. The EU support to the Multi donor trust fund (MDTF) on PFM enhances financial management, which will be of benefit for the ADS implementation. Finally, gender and resilience are transversal themes for all EU-Nepal cooperation, mutually reinforcing and complementing each other. • This BS is also complementary to EU support to Fiscal Federalism • This BS is also complementary to EU support to Nutrition. <p>There will be a strong synergy between the efforts related to competitiveness under this action and existing EU actions on trade that reinforce the capacity of Nepal to check the quality of its (export) products. In addition to the 5 value chains prioritized under ADS (dairy, lentil, maize, tea and vegetables), the Trade programme also supports the coffee value chain. The new EU Nepal cooperation on vocational training (TVET Practical Partnership) focuses on agriculture, tourism and construction which reinforces this ADS intervention.</p> <p>By diversifying the range of food produced, the action will reinforce the Multi Sector Nutrition Plan also supported by the EU. The focus of the new WAVE programme on the improvement of livelihoods in remote and marginal areas of the Far West and Western regions by addressing key</p> | Interview data (KIs and Gis) Secondary data review, including <ul style="list-style-type: none"> • BS Financing Agreement and decision documents, including Action Document. • EU Disbursements notes and files. • ADS Joint Sector Review (JSR) reports, documents. • ROM 2020 • EU TCF contract, reports, documents. |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|-------------------------|--|--|
| | | <p>constraints in their development like access to energy, irrigation, markets, water and sanitation as well as low agriculture yields, will further strengthen EU's contribution to food security, social inclusion and regional cohesion.</p> <p>The action is also complementary to EU cooperation which focuses on Disaster Risk Reduction and climate change, where Local Adaptation Plans (LAPAs) are often agriculture related. The EU support to the Multi donor trust fund (MDTF) on PFM enhances financial management, which will be of benefit for the ADS implementation. Finally, gender and resilience are transversal themes for all EU-Nepal cooperation, mutually reinforcing and complementing each other.</p> <p>Around 43% of respondents consider the EU BS programme been coherent with EU policies in the sector</p>  <p>A clear coherence with the EU policies (MIP 2014-2020)</p> | <p>Online survey</p> <p>Interview data (Kilis and Gis)</p> |

7: Cross-cutting issues and CSOs involvement

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--|--|--|---|
| Step 2: EU BS expected and actual outcomes and impact | | | |
| <p>EQ7: To what extent has the BS programme contributed to creating opportunities and strengthening the role of the Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight?</p> | <p>JC7.1: The BS programme contributed to creating opportunities and strengthening the role of the Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight</p> | <ul style="list-style-type: none"> There is a very limited information regarding the role of CSOs. This gap will be covered during the field phase with data from the interviews. TA final report. The agricultural sector spans across different agencies and includes multiple stakeholders and as such, implementation of the ADS requires the concerted effort of various institutions from the state, civil society, and development partners. The ADS documents stipulated that an external review of ADS should be conducted at 5 yearly intervals and commissioned and widely discussed by Government and Civil Society (ADS p.22). A guideline with detailed checklist of questions and individual questionnaires was prepared by EU TCF for MoALD in partnerships with the provincial MoLMACs to assess the status and performance of ADS. JSR review 2020. The MOALD with support of EU TCF organised introductory ADS orientations for MOLMAC offices in all seven provinces, and also to officials from Agriculture Knowledge Centers (AKCs), Veterinary Hospital and Livestock Expert Service Centers (VHLSECs), NGOs, private sector, and representatives from selected municipalities. EU disbursement note. In view of the very low ownership of the ADS at provincial and local levels, introductory ADS orientation were organised in each Province by MoALD, with the support of the EU funded TA. These orientations were attended by a wide range of agriculture stakeholders (government officials, NGOs, private sector, and representatives from selected municipalities). During these orientation sessions, the outlines of the ADS were explained as well as the need for aligning local annual agriculture programmes with ADS outcomes, outputs and indicators. This was also disseminated in the 2019 annual JSR meeting. | <p>Secondary data review, including</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports, documents. EU TCF reports, documents. |
| | | <ul style="list-style-type: none"> Only around 7% of respondents consider the EU BS contributed to creating opportunities and strengthening the role of the Civil Society Organisations (CSOs) in the country's policy design, implementation and oversight. However, 29% doesn't know. Around 29% of respondents consider the EU BS contributed to gender equality and women's empowerment. However, 14% doesn't know. Around 14% of respondents consider the EU BS contributed to environment and adaptation to climate change. However, 29% doesn't know. Around 28% of respondents consider the EU BS contributed to relevant SDGs and their inter-linkages. However, 21% doesn't know. Around 21% of respondents consider the EU BS contributed to the principle of Leave No One Behind and the rights-based approach. However, 29% doesn't know.  | <p>Online survey</p> |
| | | <ul style="list-style-type: none"> Not much engagement (no engagement in design, planning, implementation and review) | <p>Interview data (KIIs and Gis)</p> |

| EQ & sub-questions | Judgement Criteria (JC) | Findings in respect to JCs | Evidence/ SOI |
|--------------------|---|---|---|
| | <p>JC7.2: The BS programme contributed to gender equality and women's empowerment</p> <p>JC7.3: The BS programme contributed to environment and adaptation to climate change</p> <p>JC7.4: The BS programme contributed to relevant SDGs and their inter-linkages</p> | <ul style="list-style-type: none"> AD. The multi-sectoral nature of rural development is a challenge recognised by ADS, that emphasises the need for improved governance, as one of its four main outcomes. The Government's efforts in this area will be further supported by the EU Technical Cooperation Facility that will strengthen monitoring, evaluation and public finance management systems. Diversification of production, of incomes, drought and flood resistant seeds, land protection investments and others, all measures included in the ADS, will contribute to increased resilience of farmers to the effects of Climate Change and disasters. A specific Climate Change adaptation plan is currently under preparation for ADS. Opportunities to develop climate-smart agricultural practices, also contributing to reducing Greenhouse Gas (GHG) emissions (current or future) from agriculture and land use change will be explored, in line with the ADS. AD. Since farming is becoming increasingly an activity led by women in Nepal, specific attention to their needs is paid by the ADS, including through a dedicated Gender and Social Inclusion (GESI) strategy for the ADS. The strategy foresees, in addition to administrative measures such as GESI focal points concrete objectives and milestones, like increased land ownership of women, light mechanization suitable to women and improving the gender balance in agriculture extension staff. This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal: SDG 1 "no poverty", but also promotes progress towards Goals: SDG 2 "zero hunger", SDG 5 "Gender Equality", 8 "inclusive growth/jobs", SDG 10 "reduced inequalities", SDG 13 "climate action" and 15 "Life on land". TA final report. Agriculture and related policies have also incorporated strategies and taken actions to promote gender equality and social inclusion while implementing related interventions. Particularly, since agriculture is prone to climatic shocks, climate adaptation actions through adoption of climate smart initiatives have received increased attention in annual programs at federal, provincial and local levels. Some provinces such as Gandaki and Lumbini have designed and are implementing climate smart village models to deal with the impact of climate change on agriculture. In 2018, Nepal formulated a National Adaptation Plan (NAP) which aims at reducing vulnerability and building resilience to climate change by incorporating adaptation priorities across sectors and the different levels of government. In 2019, the Government of Nepal has revised the Climate Change Policy aligning it with the changed governance structure. The new revised policy explicitly defines climate vulnerable groups by gender and social inclusion and places an increased focus on livelihoods and food security. JSR 2021. Review of ADS Component 4: Inclusiveness. Available data indicates that the land owned by women indicator is progressing satisfactorily. By FY2018/19, land owned by women increased to 19.5 percent compared to the baseline of 16 percent in FY2015/16, which almost meets the 20 percent growth target set by ADS during its first five-years of implementation. Although there is no mechanism in place to assess farmers' access to agriculture extension program nor to report progress under the federalized system, it is assumed that access has decreased in FY2020/21, mainly because of an acute shortage of agriculture technical staff in municipalities, AKCs, and VHLSECs through which most farmers are expected to access extension services. Given that agriculture operations now fall under the jurisdiction of provincial and local governments, the timely deployment of technical staff to these levels will be critical to restore, achieve, and sustain progress. Access to the GON's agriculture extension services was estimated to have reached about 20 percent farmers in FY2017/18, compared to the baseline of 18.2 percent in FY2015/16. However, the current situation is likely to improve only when provincial and local governments fill their vacant agriculture technician positions. <ul style="list-style-type: none"> The TA supported in development GESI strategy But there was no time and action available to integrate the GESI strategy No specific actions supported/carried out regarding the other JC areas listed. | <p>Secondary data review, including</p> <ul style="list-style-type: none"> BS Financing Agreement and decision documents, including Action Document. EU Disbursements notes and files. ADS Joint Sector Review (JSR) reports, documents. ROM 2020 EU TCF contract, reports, documents. <p>Interview data (KIs and Gis)</p> |

A10. EU CARD BS details and performance indicators

Table 7: The EU CARD BS performance indicators (planned and disbursed amounts in EUR millions and percentage performance).

| Performance Indicators | Y1 (2019) | | | Y2 (2020) | | |
|---|------------|-------------|--------------|------------|------------|--------------|
| | Planned | Disbursed | % | Planned | Disbursed | % |
| 1. Increase in the total value of processed dairy products | 0.50 | 0.50 | 100% | 1.00 | 1.00 | 100% |
| 2. Increase in the national coverage of functional irrigated command areas | 0.50 | 0.25 | 50% | 1.00 | - | 0% |
| 3. Deployment of Agriculture Technicians at local level, and establishment of Community Agriculture Extension Centres | 0.50 | 0.50 | 100% | 1.00 | - | 0% |
| 4. Stunting | 0.50 | - | 0% | 1.00 | 1.00 | 100% |
| 5. Reforms in the areas of Land Management and Agribusiness | 0.50 | 0.50 | 100% | 1.00 | 0.50 | 50% |
| 6. Increase in the percentage of land owned by women individually or jointly | 0.50 | - | 0% | 1.00 | 1.00 | 100% |
| TOTAL | 3.0 | 1.75 | 58.3% | 6.0 | 3.5 | 58.3% |

Table 8: The EU CARD BS as designed and adjusted to respond COVID pandemic.

| The EU CARD BS as designed | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Q2 2019 | Q2 2020 | Q2 2021 | Total | |
| Fixed Tranche (EUR) | 7,000,000 | 6,000,000 | 5,000,000 | 18,000,000 | |
| Variable Tranche (EUR) | 3,000,000 | 6,000,000 | 9,000,000 | 18,000,000 | |
| Total (EUR) | 10,000,000 | 12,000,000 | 14,000,000 | 36,000,000 | |
| The EU CARD BS as adjusted to respond COVID pandemic | | | | | |
| | Q2 2019 | Q3 2020 | Q4 2020 | Q2 2021 | Total |
| Fixed Tranche (EUR) | 7,000,000 | 6,000,000 | 5,750,000 | 12,000,000 | 30,750,000 |
| Variable Tranche (EUR) | 1,750,000 | 3,500,000 | | | 5,250,000 |
| Total (EUR) | 8,750,000 | 9,500,000 | 5,750,000 | 12,000,000 | 36,000,000 |

A11. EU CARD TCF Logical Framework – performance indicators and achieved values

| Results hierarchy | Indicators Name | Baseline | Actual Endline | End target | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|--|---|----------|----------------|------------|---|-----------|----------------|---|--|---|
| | | | | | Source | Frequency | Responsibility | | | |
| <i>Outreach</i> | Number of provinces and municipalities supported by the TCF, | | | | | | | | | |
| | A. Provinces | 0 | 7 | 7 | TCF monitoring records | On-going | TCF | | | No. of municipalities covered intensively will depend on the COVID situation |
| | B. Municipalities | | 753 | 753 | | | | | | |
| <i>Goal: Contribution of ADS to enhance food security and competitiveness of agriculture at provincial and local level</i> | Number of provinces increasing annually their budget for agriculture by 10% | 0 | 7 | 4 | Annual program and budget of the provinces; | Annually | TCF | Stakeholders remain committed to ADS implementation ADSISU is engaged and committed to improve its capacity for ADS roll-out | Commitment made at provincial level and reflected in PADS preparation ADSISU is actively involved in facilitating the PADS preparation/ | The increase in budget has only taken place in some provinces whilst in others it shows signs of decreases. In all provinces, however, the utilization of the budget has been |

| Results hierarchy | Indicators Name | | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|-------------------|-----------------|----------|----------------|------------|-----------------------|-----------|----------------|---|--|---|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | | | | | | | | <p>Nepal transition to a federal system is successfully and efficiently implemented</p> <p>Flagship programmes are given autonomy and flexibility to achieve the desired goals in the context of Federalism</p> <p>The Government of Nepal and the MoALD will continue implementing the ADS, ensuring a high level of commitment and ownership from</p> | <p>implementation process</p> <p>Transition to federal system resulted in failures in absorptive capacity to implement ADS activities effectively</p> <p>No change. But capacity constraints particularly at local government level</p> <p>Assumption maintained</p> | <p>more rational and directed to ADS priorities</p> |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|--|--|------------|----------------|------------|--|------------|----------------|--|--|---|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | | | | | | | | relevant stakeholders. Nepal transition to a federal system is successfully and efficiently implemented | See above | |
| | Number of municipalities increasing annually their budget for agriculture by 10% | 0 | 210 | 150 | Annual program and budget of the municipalities; | Annually | TCF | | | The end target figure could not be objectively verified as no study was ultimately undertaken |
| Outcome 1 Awareness of ADS raised at all levels | Number of Provinces where ADS is understood, integrated in provincial plans and activities | 0 | 7 | 7 | Annual Plans; | Annually | TCF | | | |
| Output | No. of awareness raising workshops conducted at federal and provincial level | 0 | 15 | 20 | TCF monitoring records | On-going | TCF | | | |
| | No. of orientation workshops conducted at municipality level | 0 | 560 | 753 | TCF monitoring | First year | TCF | Interest of municipality mayors to | Assumption met. All mayors participated, but | |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|--|--|------------|----------------|------------|-----------------------------------|-----------|----------------|---|--|----------|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | | | | | records, Reports | | | participate in orientation workshops | elections were held since then and some mayors were not re-elected. Advocacy and awareness of ADS was made to a broader group of local government officials | |
| Outcome 2 ADS coordination mechanisms in place at all levels | Provincial level coordination mechanisms functioning effectively | 0 | 14 | 14 | Annual Progress report of MoLMAC, | Annually | TCF | Coordination Act passed by parliament Priority of MOLMAC to support establishing coordination mechanisms Coordination mechanism are internalized in the regular budget and programs | Act passed No change. MOLMAC recognised the need for better coordination between district and municipality level But low impact in improving intersectoral | |

| Results hierarchy | Indicators Name | Means of verification | | | Assumptions | Status Update on Assumptions | Comments | | |
|-------------------|---|-----------------------|----------------|------------|-----------------------------------|------------------------------|----------------------------------|--|--|
| | | Baseline | Actual Endline | End target | | | | Source | Frequency |
| | | | | | | | coordination at provincial level | | |
| Outputs | No. of ADS units/ focal points set up at provincial level | 0 | 7 | 7 | Annual progress report of MoLMAC, | On-going | TCF | Priority of MOLMAC to support establishing coordination mechanisms | Expressed as a priority but ADS focal points merged into the planning/ M&E unit in some provinces |
| | No. of ADS units/ focal points set up at municipality level | 0 | 35 | 35 | Project monitoring records | On-going | TCF | | This may have been a temporary phenomenon in order to prepare municipality profiles. But since the follow up capacity building activities were dropped because of the shift in resources to work on the PADS in some cases this is unlikely to have been sustainable |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|-------------------|---|------------|---------------------------------|------------|----------------------------|-----------|----------------|---|--|----------|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | No. of coordination mechanisms set up at Provincial level | 0 | 7 | 7 | Project monitoring records | On-going | TCF | Coordination Act passed by parliament Priority of MOLMAC to support establishing coordination mechanisms | See above | |
| | No. of district level coordination mechanisms set up (also under the PMAMP) | 0 | AKC 52 VHLSEC 49 PMAMP 77 | 77 | Project monitoring records | On-going | TCF | DCCs play proactive role | The coordination mechanisms were established through some of the flagship projects | |
| | No. of municipal level agriculture development coordination mechanism established | 0 | 35 | 35 | Project monitoring records | On-going | TCF | Willingness of the municipality | This may have been a temporary phenomenon in order to prepare municipality profiles. But since the follow up capacity building | |

| Results hierarchy | Indicators Name | Means of verification | | | Assumptions | Status Update on Assumptions | Comments | | | |
|---|--|-----------------------|-----------------------|------------|--------------------|------------------------------|---|---|--|----------------|
| | | Baseline | Actual Endline | End target | | | | Source | Frequency | Responsibility |
| | | | | | | | activities were dropped because of the shift in resources to work on the PADS in some cases this is unlikely to have been sustainable | | | |
| Outcome 3 Policy support studies and guidelines used for policy change | No of studies conducted/ guidelines prepared for informed policy making processes Headquarter level Provincial level | 0 | 19 35 | 20 30 | Monitoring records | On-going | TCF | | | |
| Outcome 4: Capacity strengthened to prepare agricultural plans | No. of Provinces and Local governments having prepared quality plans that adapt ADS activities Provincial Local | 0 | 7 35 (estimate) | 7 35 | Performance study | Annually | TCF | Effectiveness of support provided by ADS experts. The Government of Nepal and the MoALD will continue implementing the | Support of ADS experts maintained up to the end of the project | |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|-------------------|---|------------|---|------------|------------------------|-----------|----------------|--|--|----------|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | | | | | | | | ADS, ensuring a high level of commitment and ownership from relevant stakeholders. Nepal transition to a federal system is successfully and efficiently implemented | Maintained since PADS have been prepared See above | |
| Output | No. of trainees from federal, provincial level trained in agricultural planning for ADS | 0 | Total: 54 Male: 43 Female:11 | 42 | TCF monitoring records | On-going | TCF | Availability of participants at the time of the training | Participants were available but in some cases activities were delayed because of competing demands on the presence | |
| | No. of local level staff trained and mentored in agricultural planning | 0 | Total: 1474 Male: 1238 Female:236 | 1506 | TCF monitoring records | On-going | TCF | Availability of participants at the time of the training | Same as above | |
| | No. of federal and provincial annual plans supported by TCF | 0 | 3+21 provinces | 21 | TCF monitoring records | On-going | TCF | | | |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|--|--|------------|---|------------|------------------------|-----------|----------------|--|---|----------|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | No. of provincial master plans supported by TCF | 0 | 3 | 5 | TCF monitoring records | On-going | TCF | | | |
| | No. of PADS supported by TCF | 0 | 7 | 4 | TCF monitoring records | On-going | TCF | | | |
| | No. of local government plans prepared | 0 | 35 | 35 | TCF monitoring records | On-going | TCF | | | |
| Outcome 5: Capacity for M&E at local level | Number of pilot municipalities where Information from database used in planning and reporting system | 0 | 35 | 35 | Performance study | Annually | TCF | Support provided by municipality mayors | With the TCF facilitating the collection of data for the preparation of municipality profiles | |
| Outputs: | No. of people trained in M&E and database at federal &, provincial | 0 | 54 Female: 11 Male: 43 | 42 | TCF monitoring records | On-going | TCF | Availability of participants at the time of the training | Same as above | |
| | No. of local level staff trained and mentored in agricultural planning, data collection and M&E | 0 | Total: 1474 Male: 1238 Female:236 | 1506 | TCF monitoring records | On-going | TCF | | | |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|--|---|------------|----------------|------------|------------------------|-----------|----------------|--|------------------------------|---|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | No. of local governments collecting data on a regular basis for planning and M&E purposes | 0 | 5 | 35 | TCF monitoring records | On-going | TCF | Support provided by municipality mayors | | Shift in resources away from local level towards the PADS resulted in less follow-up and capacity support |
| | No. of municipality databases produced | 0 | 4 | 35 | TCF monitoring records | On-going | TCF | | | Shift in resources away from local level towards the PADS |
| Outcome 6 Capacity for training and technical support | No. of provincial training centres/ units with capacity to design and implement technical training programmes | 0 | 2 | 10 | Performance study | Annually | TCF | Support of directors of training centres | | Shift in resources to PADS preparation + COVID resulted in lower levels of achievement in capacity development support to provincial training centres |
| Outputs | No. of provincial level institutional mapping studies conducted | 0 | 7 | 7 | TCF monitoring records | On-going | TCF | | | |

| Results hierarchy | Indicators Name | Means of verification | | | Assumptions | Status Update on Assumptions | Comments | | | |
|-------------------|--|-----------------------|----------------|------------|------------------------|------------------------------|----------|--|-----------|---|
| | | Baseline | Actual Endline | End target | | | | Source | Frequency | Responsibility |
| | No. of Capacity Needs Assessment studies conducted at provincial level | 0 | 7 | 7 | TCF monitoring records | On-going | TCF | | | |
| | No. of Capacity Needs Assessment studies conducted at municipality level | 0 | 130 | 140 | TCF monitoring records | On-going | TCF | | | |
| | No. of training materials prepared for technical subject areas | 0 | 4 | 3 | TCF monitoring records | On-going | TCF | | | |
| | No of training centres supported for agribusiness development | 0 | 0 | 14 | TCF monitoring records | On-going | TCF | Support of directors of training centres | | Shift in resources to PADS preparation + COVID resulted in lower levels of achievement in capacity development support to provincial training centres |
| | No. of persons trained in agribusiness development | 0 | 0 | 100 | TCF monitoring records | On-going | TCF | | | Shift in resources to PADS preparation resulted in lower |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|--------------------------------|---|------------|----------------|------------|------------------------|-----------|----------------|--|--|---|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | | | | | | | | | | levels of achievement in capacity development support in agribusiness development s |
| | No of need based technical/policy analysis training for federal and provincial ministries | 0 | 1 | 3 | TCF monitoring records | On-going | TCF | Demand for trainings from federal and provincial levels | Low level of demand and refocus of TCF activities | Shift in resources and low level of demand from provincial level policy makers |
| Outcome 7: Capacity for PFM | Percentage of budgetary targets reached for approval of CARD funds | 0 | 80% | 80% | ADS unit records | Annually | ADS unit | CARD performance targets met and adequately reported to ADS coordination unit Stakeholders remain committed to ADS implementation GoN remains committed to the | Lack of evidence-based data and capacity of ADSISU to comply with EU variable tranche indicators No change No change | |

| Results hierarchy | Indicators Name | Means of verification | | | Assumptions | Status Update on Assumptions | Comments | | | |
|-------------------|---|-----------------------|----------------|------------|------------------|------------------------------|--|--|--|----------------|
| | | Baseline | Actual Endline | End target | | | | Source | Frequency | Responsibility |
| | | | | | | | <p>CARD programme</p> <p>The political situation does not deteriorate into major unrest</p> <p>Effective collaboration exists and willingness for thorough review of adequate indicators</p> <p>Staff willing and available to participate in training</p> | THESE ASSUMPTIONS WERE AFFECTED BY CHANGES IN PRIORITIES AS A RESULT OF COVID | | |
| Outputs | Quality of submissions proposed with up-to-date information | 0 | 2 | 3 | ADS unit records | On-going | ADS unit | <p>Ability of MOALD and Ministry of Finance to prepare quality submissions</p> | <p>Lack of evidence based data and capacity of ADSISU to comply with EU variable tranche indicators. Quality</p> | |

| Results hierarchy | Indicators Name | Indicators | | | Means of verification | | | Assumptions | Status Update on Assumptions | Comments |
|-------------------|-----------------|------------|----------------|------------|-----------------------|-----------|----------------|-------------|---|----------|
| | | Baseline | Actual Endline | End target | Source | Frequency | Responsibility | | | |
| | | | | | | | | | maintained with guidance/ prepared by the TCF | |

About Ecorys

Ecorys is a leading international research and consultancy company, addressing society's key challenges. With world-class research-based consultancy, we help public and private clients make and implement informed decisions leading to positive impact on society. We support our clients with sound analysis and inspiring ideas, practical solutions and delivery of projects for complex market, policy and management issues.

In 1929, businessmen from what is now Erasmus University Rotterdam founded the Netherlands Economic Institute (NEI). Its goal was to bridge the opposing worlds of economic research and business – in 2000, this much respected Institute became Ecorys.

Throughout the years, Ecorys expanded across the globe, with offices in Europe, Africa, the Middle East and Asia. Our staff originates from many different cultural backgrounds and areas of expertise because we believe in the power that different perspectives bring to our organisation and our clients.

Ecorys excels in seven areas of expertise:

- Economic growth;
- Social policy;
- Natural resources;
- Regions & Cities;
- Transport & Infrastructure;
- Public sector reform;
- Security & Justice.

Ecorys offers a clear set of products and services:

- preparation and formulation of policies;
- programme management;
- communications;
- capacity building;
- monitoring and evaluation.

We value our independence, our integrity and our partners. We care about the environment in which we work and live. We have an active Corporate Social Responsibility policy, which aims to create shared value that benefits society and business. We are ISO 14001 certified, supported by all our staff.

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the ECORYS consortium and do not necessarily reflect the views of the European Union



P.O. Box 4175
3006 AD Rotterdam
The Netherlands

Watermanweg 44
3067 GG Rotterdam
The Netherlands

T +31 (0)10 453 88 00
F +31 (0)10 453 07 68

Registration no. 24316726

W www.ecorys.nl

Sound analysis, inspiring ideas