

KISANKALAGI UNNAT BIUBIJAN KARYAKRAM (Improved Seeds for Farmers' Programme)

Grant Operating Guidelines (Revised)

July, 2015

Definitions

Term	Definition
"Activity Schedule"	The tasks and outputs referred in the Sub-Project brief
"Amount"	The total amount or amounts of the sub-project, including the Beneficiary's contribution as specified in the Agreement
"Business Day"	Any day of week on which Nepal's trading banks are open for all business
"Completion Date"	The Completion Date of the Sub Project, as it is specified in the Agreement
"Confidential Information"	Any information relating to the Sub Project, the existence and contents of this Agreement and any information that arises in relation to this Agreement or the Sub Project
"Grant"	The money paid to the Grant Recipients under the Grant Agreement relating to the Sub-project
"Grant Agreement"	Agreement, including any and all annexes, and any addenda to it agreed by the Programme Manager or Designated Officer from the Programme Manager
"Grant Recipient"	The organization submitting the proposal for funding
"Grantee"	All the members of the grant recipients benefitting from the KUBK-ISFP grant scheme
"Guidelines"	Grant Operating Guidelines
"Implementing Team"	The sub-project manager and specified Personnel in the sub-project
"Indirect Beneficiaries"	Grantee neighborhood households and value chain actors other than grantee or members of a membership organization who are not receiving grant from the KUBK-ISFP but are directly or indirectly involved in some points of value chain
"Landless"	Households having land holding less than 0.0125 ha (4 Anna)
"Partners"	Legal and natural persons that assume obligations in the Sub Project's implementation
"Payment Schedule"	The Grant tranches dates set out in the Grant Installment Payment Schedule
"PSC"	The Project Steering Committee (PSC), together with its successors or any other party or parties to whom its rights and property might be assigned, also referred to as "the Board".
"Personnel"	Employees and agents and any other professional, technical, and support services hired by the Programme Manager to perform the Programme activities or technical professional hired by grant recipients.
"Objectives"	The objectives relating to the sub-project as set out in the sub-project Proposals
"Reporting Date"	The dates, as they are set out in the Agreement, when the grant recipient must send to the PMO/KUBK-ISFP the Progress Reports having the content and the form as provided by PMO
"Services"	The services that the Programme Manager and/or the Beneficiary have agreed to undertake as detailed in the Project Agreement
"Sub-project"	The set of activities submitted to the PMO as a Full Project Proposal to be considered for funding, approved by the PMO and sub sequentially negotiated and agreed to by and between the PMO and Chair of the grant recipients or authorized person of the grant recipient
"Subproject Manager"	The natural person nominated by the Grant Recipient to represent it in the relationship with the KUBK-ISFP

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Acronyms

AEC	Agro Enterprise Centre
CDD	Crop Development Directorate
DADO	District Agriculture Development Office
DAG	Disadvantaged Group
DCCI	District Chamber of Commerce and Industry
DDC	District Development Committee
DLS	Department of Livestock Services
DLSO	District Livestock Service Office
DoA	Department of Agriculture
FG	Farmers' Group
FNCCI	Federation of Nepalese Chamber of Commerce and Industry
GESI	Gender and Social Inclusion
GoN	Government of Nepal
HI	Heifer International
IAP	Independent Assessment Panel
KUBK-ISFP	KisankalajiUnnatBiu-BijanKaryakram
M&E	Monitoring and Evaluation
MoAD	Ministry of Agricultural Development
MoCPA	Ministry of Cooperative and Poverty Alleviation
MoFALD	Ministry of Federal Affairs and Local Development
MWDR	Mid Western Development Region
NACCFL	Nepal Agricultural Cooperatives Central Federation Limited
NARC	Nepal Agricultural Research Council
PIM	Program Implementation Manual
PICCD	Policy and International Cooperation Division
PIU	Program Implementation Unit
PM	Program Manager
PMO	Program Management Office
PSC	Program Steering Committee
PSCO	Private Seed Company
RAD	Regional Agriculture Directorate
RADC	Regional Agriculture Development Committee
RIMS	Results and Impact Monitoring System
RSTL	Regional Seed Testing Laboratory
SFACL	Small Farmer Agro Cooperative Limited
SFDB	Small Farmer Development Bank
SoE	Statement of Expenditure
SQCC	Seed Quality Control Centre
VAT	Value Added Tax
VDD	Vegetable Development Directorate

Chapter 1 Introduction

1.1 Background

KisankalagiUnnatBiu-BijanKaryakram -Improved Seed for Farmers Programme (KUBK- ISFP) is an International Fund for Agricultural Development (IFAD) financed initiative. Ministry of Agricultural Development (MoAD) is the executing and implementing agency of the programme. Heifer International (HI) is a co-financier as well as an implementing partner. Other implementing partners include Agro Enterprise Centre (AEC), Small Farmer Development Bank (SFDB) and Nepal Agricultural Cooperative Central Federation Limited (NACCFL).

The KUBK-ISFP aims to promote inclusive, competitive and sustainable agricultural growth to contribute overall economic growth in the entire Programme target districts¹. The development objective of the Programme is to improve rural household incomes through sustainable, market-driven agricultural productivity improvement of rural agriculture based enterprises. The Programme is designed to support two key aspects of agriculture sector limiting productivity: (i) improvement of formal seed sector (cereals and vegetables), and (ii) improvement of smallholders' livestock business (goats and dairy). The Programme intervention strategy consists of four components, namely (i) Support to the Expansion of the Formal Seed Sector; (ii) Smallholder Livestock Commercialization; (iii) Local Entrepreneurship and Institutional Development and (iv) Programme Management and Coordination (PMO). The Programme has provisioned investment funds for grant schemes focusing on formal seed business and smallholders' livestock enterprises.

1.2 Purpose of the Guidelines

The main purpose of the guidelines is to facilitate the grant administration process. The entire grant schemes under KUBK-ISFP investment are regulated by these guidelines. It is supplementary document for grant administration and guided by the Design Completion Report, Financing Agreement between IFAD and Government of Nepal and Programme Implementation Manual (PIM) of KUBK-ISFP. It provides details on grant application process, grant assessment and evaluation process, and contract negotiation. The guidelines also provides information and guidance for applicants wishing to apply for KUBK-ISFP grant.

¹Gulmi, Arghakhanchi, Rukum, Rolpa, Salyan and Pyuthan

1.3 Basis of KUBK-ISFP Investment

The Programme has provisioned funding for potential agro-based producers' Organizations (Farmers' Groups, Cooperatives and Producers' Associations), Private Entrepreneurs, Companies and local bodies (Village Development Committees/ Municipalities) for supporting business expansion of the formal seed and smallholders' livestock enterprises and providing backward and forward linkages. The basis of KUBK-ISFP investment is outlined below.

- i. KUBK-ISFP investment is fund only available for formal seed sector business schemes and smallholders' production improvement and marketing activities for both seed production and livestock (dairy and goat).
- ii. KUBK-ISFP investment funds are generally intend to support funding gap in capital investment (public infrastructure, machinery and equipments) for seed business schemes that will enhance formal seed sector as well as smallholders' livestock productivity improvement enterprises supporting the rural poor. Investment funds are also available to the source seeds and breeds as well as productivity improvement inputs.
- iii. KUBK-ISFP investment funds only available to those grantees who can contribute matching funds on potential business schemes. The share of matching funds that grantees have to contribute are specified in Annex 5 and can be measured in cash and/or kind including labour.
- iv. KUBK-ISFP investment follows an output based financing system. Thus, matching grant will be released in installments upon the field appraisal of performance against agreed milestones. The grant transfer is subject to spending in full by grantees for the purpose intended of the beneficiary's contribution to the sub-projects. Advance will be applicable as per request of grant recipients' only for immovable community infrastructure (e.g. irrigation scheme, collection centers/ storage, and threshing yards, etc) and such advance shall not be more than 20% of the total cost of the infrastructure.
- v. The KUBK-ISFP will reimburse the grant amount as per agreement made during negotiation and no additional claim will be reimbursed. This grant amount will be transferred only to the Bank Account of Grant Recipients upon providing satisfactory evidence of the sub project performance.
- vi. Environmental and Social safe guard compliance is prerequisite in KUBK-ISFP funding/grant as per the both National Environmental Protection Act and Regulation and Labor Law and Regulations

vii. The KUBK-ISFP investment funds will be available through three Investment Windows. The types of Investment Windows, eligible applicants and grant amount are provided below in Table 1 and details of the grant norms by activity are provided in Annex 4.

Table 1: Investment Windows, eligible applicants and grant Amount

Investment Windows	Grant share	Grant Amount	Eligible Applicants	Remarks
Window -1 Production Activities(Seed, Goat and Dairy)	50%	Maximum US \$ 15,000	Farmers' Group and Cooperatives	<ul style="list-style-type: none"> • Directly through Full Project Proposal • Production based proposal amounting less than US \$ 3000 will be sanctioned by DADO/DLSO
Window – 2 local service providers/Small and medium Entrepreneurs and Local Bodies	50%	Below US \$ 3,000	Agro-vets, Para-vets, Small Entrepreneurs such as butcheries, Milk processors and Dairy entrepreneurs'	Directly through Full Project Proposal and Field verification and financing recommendation shall be made by PIU
Local Bodies	50%	Maximum US \$10,000	Agrovets and Medium Entrepreneurs (Seed Traders, Private Seed Producers, Private Goat & Dairy Entrepreneurs, and Milk and Meat Entrepreneurs	Directly through Full Project Proposal
	50%	Maximum US \$ 15,000	Local Bodies (VDC/Municipalities)	Directly through Full Project Proposal
Window -3 Large Entrepreneurs	50%	US \$ 20,000 to US \$ 200,000	Seed Company, Agribusiness Entrepreneurs and Meat and Dairy Cooperatives and Entrepreneurs	Both Project Concept note and Full Project Proposal required

viii. The procurement mechanism of Grant is regulated and guided by Public Procurement Act (2063) and Public Procurement Regulation (2064) of Government of Nepal.

Chapter 2 Grant Administration

The KUBK-ISFP aims to support two key agriculture sectors, namely expansion of formal Seed sector (cereals and vegetables) and smallholders' livestock development to improve rural households' income by accelerating agricultural growth in the Programmedistricts. In this connection, KUBK-ISFP has provisioned financial support to the potential seed and livestock business through Grant Scheme (GS) for Productive investments for instance, seed production, micro-irrigation schemes, farm mechanization, storage and warehouse facilities, agriculture produce processing and packaging units, livestock or milk collection centers, transportation equipment, fodder nurseries and greenhouses, slaughter units, market infrastructure etc. The purpose of the grant is to assist the grant recipients in acquiring those critical elements/services currently limiting them to become commercial. The grant schemes provide complementary funding to the capital investments for potential seed and livestock business as per the Design Completion Report and Financial Agreement signed between IFAD and GoN.

2.1 Applicants' Eligibility

This section provides information about the requirements to be made by the grant applicants wishing to apply for KUBK-ISFP grant. The KUBK-ISFP identified various types of the grant applicants, namely, (i) Producers' Organization (Farmers' Groups, Cooperatives, and Producers' Associations), (ii) Small and medium entrepreneurs (Agrovets, Paravets, Butcheries, private seed and dairy entrepreneurs, seed and milk collators and Traders etc), (iii) Local bodies (VDCs and Municipalities) and (iv) Large Seed Companies and Agribusiness Entrepreneurs (Seed Company, Dairy Enterprises, Slaughter house etc). Details of applicants' eligibility are provided in Table 2.

Table 2: Applicant types, Investment windows

Applicant Type	Eligibility Criteria
Farmer Group	<ul style="list-style-type: none"> • Registered in respective District Agriculture Development Office/District Livestock Services Office at least 1 year before the grant application • Maintained complete financial details including group saving and loan records • Submitted group resolution signed by all members for grant application • Submitted evidence on capability to provide its financial contribution required for matching funds either by group

Applicant Type	Eligibility Criteria
	commitment or issued commitment letter from authorized financial institutions
Agriculture Cooperatives	<ul style="list-style-type: none"> • Established and Registered as per Cooperative Act 2048 at least 1 year before the grant application • Multipurpose cooperatives having agriculture as one of the major objectives in their bylaws. • Submitted evidence of consensus made in the meeting of executive committee for grant application (minutes)/resolution • Submitted Annual Audit Report of the previous year • Recently registered cooperatives, formed and strengthened either by NACCFL or Heifer International, can apply for the grant with the recommendation of the respective institutions • Registered at Inland Revenue Office • Submitted evidence on capability to provide its financial contribution required for matching funds (Commitment letter from financial institution)
Private Entrepreneurs (Agrovets, Paravets, Butcheries, Private Milk collector and processors, Seed Traders etc)	<ul style="list-style-type: none"> • Established under Company Act 2063 or Private Firm Registration Act 2014 or Industrial Enterprises Act 2049 and at least 1 year before the grant application. • Registered at Inland Revenue Office • Received Tax Clearance Certificate from the Inland Revenue Office as per prevailing legislation of the country • Submitted evidence on capacity to provide its financial contribution required for matching funds (Commitment letter from financial institution)/audited balance sheet • Previous experiences in implementing similar sub projects.
Local Bodies (VDCs/Municipalities)	<ul style="list-style-type: none"> • Documented Work Plan with clearly defined targets in their Annual Work Plan and Budget • Submitted evidence on capacity to provide its financial contribution required for matching funds (Commitment letter from VDC/Municipality)
Large Seed Company, Agribusiness Entrepreneurs, Meat ,Dairy Cooperatives and	<ul style="list-style-type: none"> • Established under Company Act 2063 or Private Firm Registration Act 2014 or Industrial Enterprises Act 2049 and at least 2 year before the grant application.

Applicant Type	Eligibility Criteria
Entrepreneurs	<ul style="list-style-type: none"> • Should have been in operation for at least 2 years • Registered at Inland Revenue Office • Received Tax Clearance Certificate from the Inland Revenue Office as per prevailing legislation of the country • Submitted evidence on capacity to provide its financial contribution required for matching funds (Commitment letter from financial institution for example : a loan sanctioned letter issued by any formal financial institutions) • Established code of conduct for operating the enterprise • Established code of conduct for environmental and social safe guard measures or IEE/EIA report, if necessary as per the prevailing Environment Protection Act and Regulation. The IEE/EIA report depends on the size, nature and scope of the subprojects. • Environment protection and waste disposal plan • Previous experiences in implementing similar sub projects applied for and sound backward and forward linkages for their business

2.2 Grant Award Process

The KUBK-ISFP makes a call for application. The Call for application shall be published on an Annual or quarterly basis as per the need of the programme. Calls for application will be published in national newspapers and widely circulated through local FM Radios, World Wide Web page of the Program and orientation programs at district level for potential Farmer groups and Cooperatives. The details about the call for application, template for Sub Project Concept Note (PCN)/ Full Project Proposal (FPP) shall be available from district level institutions involving in programme implementation. These institutions includes: (i) Investment Windows established at District Chamber of Commerce and Industry, (ii) Programme Implementation Unit, (iii) District Agriculture Development Office, (iv) District Livestock Service Office, and (v) Programme Management Office, KUBK-ISFP, Butwal. The application procedures and template for PCN/FPP can be downloaded from the KUBK-ISFP web page (www.kubk.gov.np) and/or institutions involving in programme implementation

All eligible applicants' wishing to apply under Investment Windows W1 and W2 has to submit full project proposal following the call for applications. The PCN and FPP are mandatory for the applicants' wishing to apply under W3. The MGS under W1 and W2 will follow two stages of assessment before the

contract agreement, namely, assessment of sub project proposal and field verification, while applications under W3 additional step that is assessment of Project concept note is also required. In general, following procedures will be made while administrating the grants:

- i. Call for application – all windows
- ii. Eligibility Assessment of the grantees- all windows
- iii. Technical and financial assessment of the applications- FPP for W1 and W2 and PCN for W3
- iv. Field verification of successful applications (PCN and FPP) and invitation for contract negotiations and agreement (W1 and W2) and notification to submit full project proposal (only for W3)
- v. Technical and financial Assessment of full project proposal and invitation for contract negotiations and agreement (only W3)
- vi. All applications received at investment window shall check for eligibility and forwarded to the PIU for prescreening. The prescreening committee (Composed of: (a) Coordinator-Chief DADO/DLSO based on the value chain and (b) Members- District Seed Coordinator-1, Technical Expert-1 (Livestock/ Seed) and District Agribusiness Advisor-1) shall be prescreened and forwarded to PMO for evaluation. However, applications received for grant amount less than US \$ 3,000 under W1 and W2 will be sanctioned at the district level. The PIU should prepare a field report after the field verification and recommend for negotiation and contract agreement. The field verification team is composed of: (i) Representative from DADO/DLSO (Officer Level), (ii) District Seed Coordinator/Livestock Specialist, and (iii) Agribusiness Development Advisor from the Investment Window based at DCCI.
- vii. DADO/DLSOs shall implement micro-grant- the production related proposals received for less than US \$ 3000. Working procedures to implement micro-grant is as follows.
 - a. Call for application for micro-grant shall be made by PMO quarterly or annually as per the need of the programme under the approved budget limit along with announcing call for other grant windows
 - b. Application received for Micro-grant at Investment Window shall be checked for eligibility and forwarded to PIU
 - c. All the applications received at PIU shall be prescreened by the Committee as previously mentioned in Section 2.2 (vi)
 - d. The PIU should prepare a field report for successful applications after the field verification and recommend for negotiation and contract agreement. The field verification committee is previously mentioned in Section 2.2 (vi).

- e. DADO/DLSO shall sign the contract with successful grant applicants, release fund and provide technical back-stopping for implementation. A copy of grant agreement should be provided to PMO for its record and Monitoring and evaluation.

The various stages of the matching grant (except micro grant) administration process for W1 and W2 and W3 are provided in Figure 1 and Figure 2 respectively.

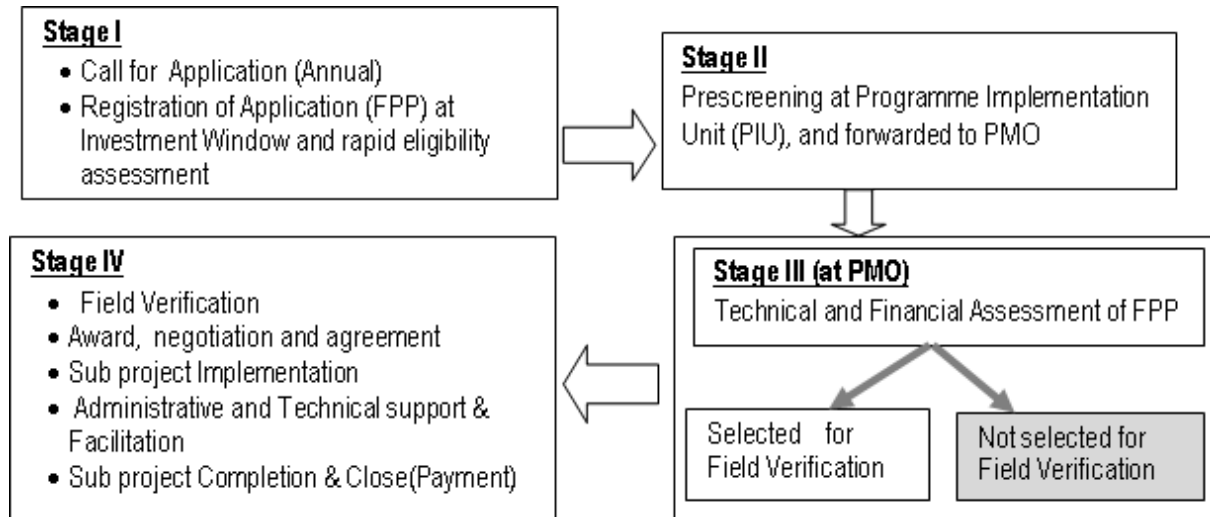


Figure 1: Matching grant administration process for W1 and W2

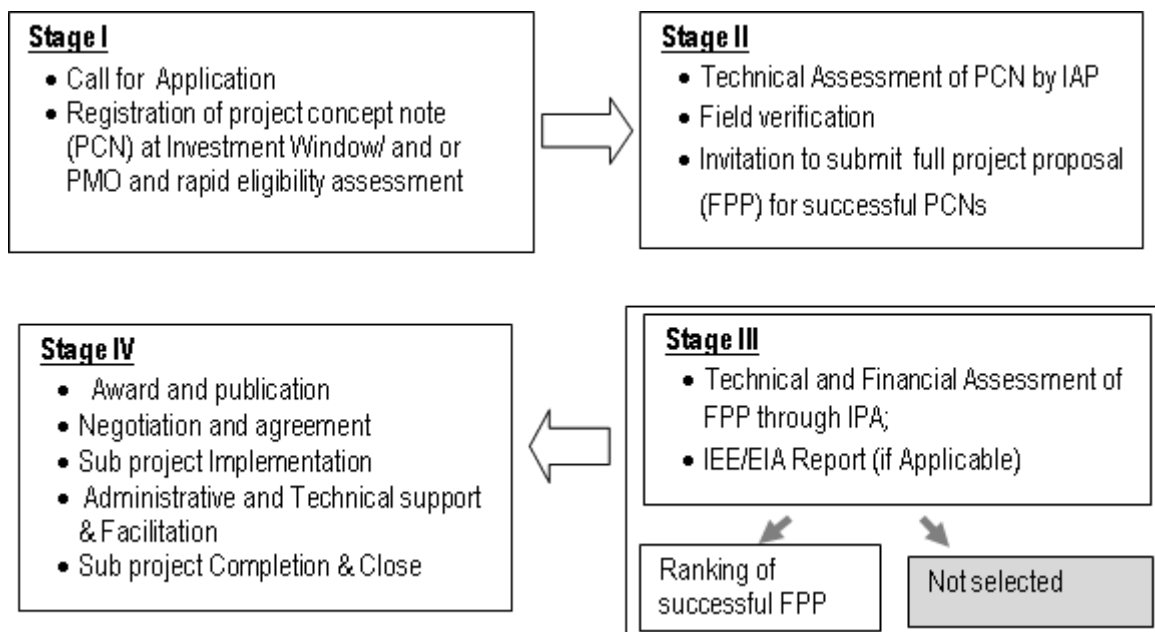


Figure 2: Competitive grant administration process for W3

2.2.1 Role of various institutions for Grant Administration

The role of various institutions during grant administration process is provided in Table 3.

Table 3: Role of various institutions for grant administration

Institution	Role
KUBK-ISFP Programme Management Office	<ul style="list-style-type: none"> • Publish call for applications • Prepare roster of experts and update annually • Establish and manage PCN/FPP Assessment Committees as per the grant guidelines • Assessment of PCN/FPP for W1 and W2 through PCN/FPP Assessment Committees and for W3 through IAP • Lead and manage Field verification as per grant guidelines • Invite successful PCN Applicants for the submission of FPP (only for W3) • Assessment of FPP through Independent Assessment Panel ((only for W3) • Publish list of successful applicants after contract agreement • Track reasons for rejection of un-successful applicants • Technical backstopping and regular monitoring of the subprojects • Disbursement of the grant installments as per the demand of the grantees upon completion of agreed milestones • Collection of data on DADO/DLSO sanctions and all disbursements –with up to date balances in grant budget • Completion/closing of subprojects as per the agreements • Dispute resolution, if any
AEC/DCCI	<ul style="list-style-type: none"> • Wider communication of the grant call for application • Dissemination of the KUBK-ISFP strategies and grant award process • Provide information about requirements for grant application and PCN/FPP template on demand • Rapid screening of the received PCN/FPP from the applicants and registration • Forward received applications to PIU • Organize PCN/FPP preparation orientation activities with close coordination of PIU/PMO after the announcement of call for application, if necessary • Organize consultation workshop at various level especially for W3 with private sector agencies and ensure adequate number of application submission.

Institution	Role
	<ul style="list-style-type: none"> • Play cabalistic role for buy back agreement and contract farming
<p>Programme Implementation Unit</p>	<ul style="list-style-type: none"> • Wider communication of the KUBK-ISFP grants implementation approach. • Coordination with relevant stakeholders for grant administration • Prescreening of grant applications received from Investment windows and take part in field verification of grant applications • Technical backstopping for grantees as required • Provide template for MIS form to each grantee and orient them • Regular monitoring of sub projects as per the milestones agreed on contract agreements • Grantee level Data management (baseline and outputs/outcomes etc) • Supervision of work completed by Grantees and recommendation for disbursement • Support timely disbursement of grant amounting less than US \$ 3000 from DADO/DLSO.
<p>Grant Recipients</p>	<ul style="list-style-type: none"> • Ensure matching funds required for grant either from own sources or savings or Bank/other financial institutions' loan • Implementation of sub project as per the grant agreement milestones mentioned in the agreement • Procurement Management as per the agreements and timely submission of bills/receipts and required documents for disbursement • Performance reporting regularly in trimester basis and after completion of the works as per the work plan and budget and milestones annually. Completion report is mandatory for final installment.
<p>DADO/DLSO</p>	<ul style="list-style-type: none"> • Implement FSS for quality seed production/livestock improvement • Implementation of the micro-grant as per the working procedures • Regular monitoring of the grant supported subprojects implemented by farmer groups/Cooperatives, and entrepreneurs. • Assist in capacity building of seed producer/livestock groups and cooperatives. • Technical back-stopping to farmer groups/Cooperatives involved in seed production, dairy production and goat breeding • Knowledge sharing, planning and implementation of Agriculture/Livestock development programmes. • Play key role in seed and livestock marketing and linkages
<p>SFDB/NACCFL</p>	<ul style="list-style-type: none"> • Establishment of Small Farmers' Agriculture Cooperative Limited (SFACL)

Institution	Role
	in the programme districts <ul style="list-style-type: none"> • Advocate SACFLs member to expedite KUBK-ISFP grant opportunity in seed production and smallholders' livestock improvement (Dairy and goat) • Increase outreach of micro-finance in the project districts
Heifer International	<ul style="list-style-type: none"> • Implement goat improvement program "pass on gift" approach in Gulmi and Arghakhanchi district • Provide technical support to the KUBK-ISFP grantee for goat improvement programme • Provide technical support for Boar goat breeding and multiplication activities

2.2.2 Assessment of Grant Application (Evaluation)

A roster of technical specialists will be maintained at PMO and assessment of the grant applications (PCN/FPP) will be carried out by establishing expert committees. The expert should have at least Masters' Degree in concerned technical subjects and 5 years of work experiences in related development work. The list of successful applicants will be published and notified after the completion of the assessment process.

- a. **In house evaluation committee-** This committee is responsible for the assessment of applications under investment Window 1 and Window 2 for more than US \$ 3000. The In house Evaluation Committee will be chaired by Deputy Programme Manager. The committee should comprise of: (i) technical expert in the concerned theme, (ii) an Agriculture Economist/ Agri-business expert/Financial expert and (iv) Component Coordinators from TA team. The meeting of the In house Evaluation Committee will be organized as and when required.
- b. **Independent Assessment Panel (IAP)-** An Independent Assessment Panel consisting three peer reviewers from the Specialist Roster will be established for the assessment of the applications (PCN/FPP) under window three (W3). The IAP should comprise technical experts in the concerned field and an Agriculture Economist/Agri-business expert/Financial expert/ environment specialist/plant protection specialist.
- c. **Field verification-** All the successful applications (PCN/FPP) will be sanctioned through field verification after the completion of assessment process as provisioned in section 2.2.2 (a) and (b) above. The Programme Manager will form one or more field verification teams led by designated Officer working at PMO for the purpose of field verification. The Field Verification

Team consists of:

For Windows 1 & 2

Designated Officer (Deputed/recruited) from PMO- Coordinator,
Representative officials from DADO/DLSO (based on the value chain)- member
District Seed Coordinator/Livestock Specialist² from PIU/KUBK- member
Agribusiness Development Advisor from Investment Window- member
Representative from Distinct Chamber of Commerce and Industry – member

For windows 3

Designated Officer (Deputed/recruited) from PMO- Coordinator,
External Expert (Agri-business)
External Financial Expert

***Explanation:** Absence of one or more members in the above team will not bar the Programme to carry out field verification in any district. However, there should be at least 3 members in the Field Verification Team.*

Before dispatching the field verification team to the districts, the Programme will notify tentative timetable of field verification in order that grant applicants and respective organizations could prepare themselves effectively and present proposals convincingly to the team. The field verification code of conduct, presented in Annex 3, will be updated by PMO as per the need of Programme. The successful PCNs under W3 after field verification will be requested to submit full project proposal within 30 working days after the completion of field verification.

d. Grant Application Evaluation Criteria (PCN/FPP)

The following criteria are **required** before any Grant application can proceed further:

- a) The checklist in Annex XX must indicate that all relevant sections are complete with the appropriate information
- b) A total minimum score of 50 percent and at least 7/12 for Sections 5.1 and 5.2 are a requirement for a successful grant application

All the Grant applications (FPP/PCN) will be assessed following evaluation criteria. The PMO can expand the evaluation criteria as per need to clarify, if necessary.

² Goat specialist, dairy specialist or animal health specialist

Table 4: Grant Evaluation Criteria

S.N.	Criteria	Maximum Score	Requirements	Remarks
1	Technical Assessment: Technical Approach explained and innovativeness	35	<ul style="list-style-type: none"> • Experiences on proposed theme as per the KUBK-ISFP Objective (4) <ul style="list-style-type: none"> a. More than requirement for GA-4 b. Exactly as per requirement -3 • Justification (5) <ul style="list-style-type: none"> a. Highly satisfactory-5 b. Moderately satisfactory- 3 c. Unsatisfactory- 1 • Strength of Resources (financial, human and physical) (4) <ul style="list-style-type: none"> a. Good enough-4 b. Enough- 3 c. Not enough - 2 • Scope of Commercialization (4) <ul style="list-style-type: none"> a. Very high- 4 b. Moderate- 3 c. Relatively low -2 • Identification of problem (5) <ul style="list-style-type: none"> a. Highly satisfactory- 5 b. Moderately satisfactory-3 c. Unsatisfactorily-1 • Output/outcomes (4) <ul style="list-style-type: none"> a. Highly achievable- 4 b. Somehow achievable-2 c. Doubt to achieve-1 • Innovativeness and strength of the sub projects (4) <ul style="list-style-type: none"> a. Highly satisfactory-4 b. Moderately satisfactory -3 	

S.N.	Criteria	Maximum Score	Requirements	Remarks
			<ul style="list-style-type: none"> c. Relatively weak- 2 • Relevance of work Plan (3) <ul style="list-style-type: none"> a. Relevant- 3 b. Not relevant-1 • Overall impression of Reviewer on technical aspects (2) 	
2	Business Plan	30	<ul style="list-style-type: none"> • Business Idea – innovativeness, production and sales target setting (4) <ul style="list-style-type: none"> a. Innovative and well defined- 4 b. Somehow good and well defined-3 c. Relatively weak and target is not clearly defined-1 • Marketing strategy and market potentials of the products (4) <ul style="list-style-type: none"> a. Well defined and high potential- 4 b. Somehow good and potential-3 c. Not clearly defined & low potential-2 • Contract farming/buy back agreement (4) <ul style="list-style-type: none"> a. Agreement completed-4 b. Agreement is not completed- 2 • Estimated cash flow and relevance (4) <ul style="list-style-type: none"> a. Logical and relevant- 4 b. Somehow OK-3 c. Not prepared -1 • Financial Analysis and justification – expected Gross Margin over time, BCR and standard financial indicators - (8) <ul style="list-style-type: none"> a. Satisfactory and good-8 b. Moderate -6 c. Unsatisfactory-2 • Assurance/motivation for cash contribution 	For W1 & W2 gross margin BCR only

S.N.	Criteria	Maximum Score	Requirements	Remarks
			<p>provided by GR (4)</p> <ul style="list-style-type: none"> a. Assured -4 b. Not assured-2 <ul style="list-style-type: none"> • Overall impression of Reviewer on financial aspects (2) 	
3	Gender and Social Inclusion	10	<ul style="list-style-type: none"> • Inclusion of women (4) <ul style="list-style-type: none"> a. > 50%- 4 b. 30-50%-3 c. <30%-2 • Inclusion of Janajaties (2) <ul style="list-style-type: none"> a. 15- 25%-2 b. <15%-1 • Inclusion of Dalits (2) <ul style="list-style-type: none"> a. >5%-2 b. <5%-1 • Remoteness of the sites(2) 	See district DAG Map
4	Managerial aspects	5	<ul style="list-style-type: none"> • Maturity of the organization more than eligibility (1) • Saving and Banking transition (1) • Proposed Management committee and monitoring Plan (2) • Self declaration on group consensus (1) 	
5	Sustainability	20		
5.1	Technical sustainability of sub projects	5	<ul style="list-style-type: none"> • Impression and potentiality of continuations (1) • Possibility to sustain output/outcomes achieved through KUBK –ISFP assistance on income growth (2) • Delivery of technical know-how from proposed project in the community (2) 	

S.N.	Criteria	Maximum Score	Requirements	Remarks
5.2	Financial Sustainability	7	<ul style="list-style-type: none"> • Ability to deliver products to the market in competitive price that covers expenses and generate reasonable profit (4) <ul style="list-style-type: none"> a. Highly Competitive- 4 b. Somehow Competitive-3 c. Relatively less competitive-2 • Profitability of the business handled(3) <ul style="list-style-type: none"> a. Highly profitable-3 (profitability of over 15%) b. Moderately profitable-2 (profitability between 5%-15%) 	Potential demand of the commodity and price volatility
5.3	Environmental and Social sustainability	8	<ul style="list-style-type: none"> • Potential risk against environment and community (waste disposal, zoonotic disease etc. (3) <ul style="list-style-type: none"> a. Low risk-3 b. Relatively higher risk-2 • Overall environmental impact (1) • Environmental code of conduct explained/ mitigation plan (1) • Social acceptance and safeguard (3) <ul style="list-style-type: none"> a. 	
	Total Score	100		

2.2.3 Grant Approval

The Programme Manager shall approve the grant sub-projects recommended by the Evaluation Committee (EC) headed by Deputy Programme Manager for W1 and W2 and by Independent Assessment Panel (IAP) for W3. The PM shall authorize the Field Verification Team Coordinator to issue a letter of invitation to the grantees to come for final negotiation and agreement, and endorsed the same upon arrival in PMO.

2.2.4 Grant Negotiations and Agreement

All successful applicants under W1 and W2 (except micro-grant) through field verification process will be invited for contract negotiation and agreement immediately after the completion of field verification, while applicants' under W3 will be notified for submission of full sub project proposal (FPP) after the publication of an official selection notice. The negotiations will be completed within 15 working days. The Grant Negotiation Committee³ shall be responsible for negotiations and agreement process to finalize the details of the work plan to be carried out under the grant agreement within the associated budget, as well as to establish the legal and financial information needed to prepare the Grant Agreement.

2.2.5 Sub project Effectiveness and Termination

- The Sub project will be effective immediately after signing by PM/PMO and respective grant recipient.
- The Sub-project financed through the agreement shall be implemented during the period mentioned in the agreement. However, under special circumstances, when the signatory Parties commonly agree, duration could be prolonged or shortened, in writing, through an addendum to the agreement.
- This agreement will terminate upon completion of the Sub Project or in the condition as mentioned earlier (unless terminated), or when the PMO officially notifies about termination or cancellation of the Sub Project. Either of the parties may terminate the agreement immediately, by written notice to the other, if:
 - i. One of the parties is in a material breach of any provision of the agreement and is unable to remedy such breach within 14 days (or a lesser time if a lesser time is specified in the agreement) of being notified of the breach by the other.
 - ii. The lead institution commits an act of bankruptcy (or become insolvent)
 - iii. One of the parties commits an act of serious misconduct which, in the reasonable opinion of the other, may bring either the PSC and/or the PMO into dispute; or
 - iv. The grant recipient (GR) could cancel the contract if the financing is delayed for over six (6) months and the grantee shall claim for the reimbursement of fund actually speeded as per the milestones of agreement during the period.
- In case of cancellation of the Agreement as a consequence of non-fulfillment by the Beneficiary and/or Grant Recipient of any or all the obligations assumed through the Agreement, Grant

³ Program Manager - Chairperson
Component Coordinator- Member
Representative from Account section- member
Component officer/designated officer -member secretary

Recipient and/or the Beneficiary shall transfer into the accounts indicated by the PMO within five working days from the PMO's notification, all the Grant provided for the completion of the Sub Project. However, the grantee shall claim for the reimbursement of fund actually speeded as per the milestones of agreement during the period.

- In case of termination of this Agreement before completion of the Sub-project, due to default by a third party, other than the Partners, the PSC/PMO shall pay the Grant Recipient only such Amount that is the value of the Sub Project actually performed and of any materials and services ordered by the GR in anticipation of full performance of the Sub Project. All remaining or uncommitted Amounts, other than those above mentioned, will be immediately returned by the GR to the account indicated by the PMO.
- In case the GR does not pay within the terms above mentioned the claimed amounts according to the written notification sent to him/her by the PMO, the respective Amounts would be legally recovered through the enforcement.

2.2.6 Procurement Management at Grant Recipient (GR) Level

The GR (Farmers' Group and Cooperatives only) should form a **Procurement Management Committee** consisting at least three members including a women for the management of procurement at GR level immediately after the agreement. The Procurement Management committee must be ratified from the group meeting or meeting of the executing committee (Cooperatives). The GR should follow the following code of conduct while managing procurement.

- The Procurement Management Committee should have minutes of meeting before every purchase of any goods, machinery and services and it should be ratified in the meeting of group or executive committee.
- Leasing of equipments and public good is not allowed under project financing. Procurement of second-hand equipment is not also allowed.
- Grantee can purchase goods amounting less than NRs. 25000 directly from the local market. However, the purchase of goods amounting more than NRs. 5000 should be purchased from registered firm having VAT account.
- Grantee Should follow following guidelines while managing procurement amounting NRs. 25,000 or more
 - i. Goods and Machinery amounting NRs. 25,000- 300,000 should be purchased through quotation. The GR should receive price quotation from at least three firms registered in the VAT account and then select the supplier firm that offering lowest price.

- ii. Goods and machinery amounting more than NRs. 300,000- 1,000,000 and for construction works more than NRs 500,000-2000,000 should be purchased through inviting sealed quotation in local news papers or notice for procurement in public places providing duration of at least 15 days for application. If in case there is less than 3 Bid documents received, the Procurement Management Committee can invite Bids from second and third call as per their need. After third invitation, the single Bid document will be valid or accepted.
 - iii. Goods and machinery amounting more than NRs.1, 000,000 and for construction works more than 2,000,000 should be procured through bid following Procurement Act (2063) and Regulations (2064).
- The GR is responsible for managing all civil works. The Procurement Management Committee should maintain records of labor attendance, certificates of work⁴ in progress, receipts of the materials purchases and grantees participation in terms of labor and local materials etc. The civil works should be completed as per the design/drawing prepared from the ⁵authorized technicians and approved estimate that included in the contract agreement. Any change in design/drawing shall not be accepted.
 - Financial claim for civil works should be made with work completion report prepared from authorized technicians (work measurement), labor attendance record and other purchase receipts.
 - While procuring technical services from Consultants, the Procurement Management Committee should ensure the level of qualification and quality of the expert authorized by Nepalese Government as per the requirement. For training, the Procurement Management Committee should receive training work plan/schedule and handout of all session from the consultants.
 - Taxes on goods and service will be levied as per the government rules and regulations.
 - GR should made financial claim with original receipts of purchases and required documents as per the government procedures such as civil work completion report, training schedule and session paper, and such financial claim will be disburse after the field verification of the purchase/civil works. All the payment related documents forwarded to PMO should be verified from the PIU based staffs.

⁴ Group meeting minutes and recommendations from PIU

⁵ Registered in Nepal Engineering Council or engaged in Government Entities.

2.2.7 Dispute resolution

If any dispute arises between the GR and KUBK-ISFP in relation to the Agreement, the both signatory parties will negotiate promptly in good faith in order to amicably resolve the dispute. If the parties are unable to reach an understanding the dispute will be resolved by the competent courts of law in Nepal.

2.2.8 Final disposition (legal settlement)

The PSC and the PMO have engaged the Beneficiary represented by the Grant Sub-project Manager or Chair of any organization or designated personnel from the Grantee to perform the Project as an independent contractor on a nonexclusive basis. The PSC and the PMO will not be associates of the Beneficiary/Grant Sub-project Manager or Chair of any organization or designated personnel from the Grantee.

2.2.9 Anti Corruption Policy

Both anticorruption policy of Nepal Government and IFAD shall effective for all KUBK-ISFP financed subprojects. The KUBK-ISFP project shall follow zero tolerance on corruption.

2.2.10 Grant guidelines amendment

Amendments in this Grant Operating Guidelines will be made by Programme Steering Committee based on the learning and experiences gained after the grant administration. The Programme Management is responsible to prepare and submit such amendments in Programme Steering Committee.

Chapter 3 Accessories

This chapter provides details about the supplementary documents prepared for the grant application and grant administration.

3.1 Template for grant application

The KUBK Programme designed/prepared template for the sub-project concept note (PCN) and full project proposal (FPP). In this regard all the grant applicants required to provide information mentioned in the template form for PCN/FPP (Annex1 and Annex 2). All the information provided by the grantees in the application form will not be shared with other parties (unless if necessary for dispute resolution) and only used for grant administration and evaluation process.

3.2 Code of Conduct for Field verification

The code of conduct for field verification team and field verification procedures with required templates are provided in Annex 3. The PMO shall amend on field verification procedures and templates as per the need and learning.

3.3 Grant Norms

The grant norms is guided by basis of the KUBK-ISFP investment as discussed earlier in section 1 subsection 1.3 (vii). The Grant Norms shall be revised as per the need of the KUBK-ISFP Programme and the revised norms shall be effective after the approval of Programme Steering Committee. The details of the grant norms by activities are summarized in Annex 4.

References

- CAA, CADP/ADB, 2008, Standard Operating Procedure (SOP) for Commercial Agriculture Alliance (CAA), Commercial Agriculture Development Project (CADP). The SOP was approved by the CAA Board of Directors' Meeting held on 30 September 2007 with amendments and Finalized as per the concurrence received from Asian Development Bank on the amendments proposed by the Board of Directors.
- KUBK-ISFP, 2013, Grant Operating Guidelines, KisankalagilUnnatBiubijanKarkram, Government of Nepal, Ministry of Agricultural Development, Rupandehi, Nepal
- PACT, 2012, Instructions for Field Verification, Full Project Proposal Preparation and Peer Reviewers, Project for Agriculture Commercialization and Trade (PACT), Government of Nepal, Ministry of Agricultural Development. Kathmandu, Nepal
- PACT, 2014, Guidelines for Small and Medium Size Grant, Project for Agriculture Commercialization and Trade (PACT), Government of Nepal, Ministry of Agricultural Development, Kathmandu
- PACT, 2014, Guidelines for Applying to a PACT Micro Grant, Project for Agriculture Commercialization and Trade (PACT), Government of Nepal, Ministry of Agricultural Development, Kathmandu, Nepal
- RISMFP, 2012, Agriculture Grant Facility (AGF) Guidelines, Raising Income for Farmers' Project, Ministry of Agricultural Development, Department of Agriculture, Kathmandu, Nepal

Annexes

Annex 1: PCN Template
 Government of Nepal
 Ministry of Agricultural Development
Improved Seeds for Farmers' Programme (KUBK-ISFP)
 Template for Sub-Project Concept Note

For Official use only	
KUBK-ISFP Code Number	

Documents required for PCN submission

S.N	Important Document/Certificate	Description
1	Registration Certificate	A copy of registration certificate issued by the competent Government Authority as specified in eligibility criteria

Section 1 Applicant's Basic information**A. Applicant and Contact Persons' Information**

Applicants Information	Name:.....
Full address of Applicant	District:..... V.D.C/Municipality: Ward No:..... Village :..... Email:..... Telephone Number:
Contact Address	1. Authorized/Contact Person's Name:..... Telephone:..... 2. Mobile No: 3. Fax..... 4. Email.....
Category of Applicant (tick mark)	1. Farmers Group 2. Cooperatives 3. Medium/Big Entrepreneurs (a)Seed (b) Milk (c) Meat 4. Other (Specify).....
Establishment date of Firm/Farmers' Group/ Cooperative	DD/MM/Year :
Registration Status of Firm/ Farmers' Groups /Cooperatives	Registration Number:..... Registering Authority:..... Date: DD/MM/Year:
VAT/PAN No.

B. Description of the proposed sub project

1. Name of the sub project
2. Address	District:VDC/Municipality:..... Ward No:..... Village..... Telephone Number.....Mobile

	No.....
3.Objectives (Maximum 3)	1. 2. 3.
4. Beneficiaries	
4.1. Households (HH) Number	1.Total : Female :..... Male :..... 2.Janajati :..... Female :..... Male :..... 3.Dalit : Female :..... Male 4. Landless :..... Female :..... Male..... 5.Others :..... Female :..... Male.....
4.2. Population of Direct beneficiaries	1.Total : Female :..... Male :..... 2.Janajati :..... Female :..... Male :..... 3.Dalit : Female :..... Male 4. Landless :..... Female :..... Male..... 5.Others :..... Female :..... Male.....
4.3. Population of Indirect beneficiaries	1.Total : Female :..... Male :..... 2.Janajati :..... Female :..... Male :..... 3.Dalit : Female :..... Male 4. Landless :..... Female :..... Male..... 5.Others :..... Female :..... Male.....
5.Explain the experience and innovative features of the proposed sub project (Max:200 words)	
5.1. Experience.	
5.2.Innovativeness.....	
5.3 .Major activities of the proposed subproject	
5.4.Production and Market analysis	
a. Production management and market linkage.....	
b. Market access and feasibility.....	
c. Product marketing strategy.....	
5.5.Expected output and outcome achieved after implementation of the sub project	
5.6. Explain innovativeness, strength and risks associated with the proposed sub-project.	

.....				
5.7 Duration of the Sub Project: From.....to.....				
6. Justification				
.....				
7. Describe financial viability of the proposed sub-project with the help of income statement (Annex- 1)				
Note: <i>Entrepreneurs' applying for seed company and large scale dairy industry under W3 need to explain about the financial strength of the sub-project [use Net Present worth (NPV), Internal rate of return (IRR), Breakeven point, Payback period and Sensitivity analysis in detail. The analysis sheet should be placed in Annex].</i>				
.....				
8. Describe marketing strategies of the sub-projects (backward and forward linkage)				
8.1 Production and management				
.....				
8.2 Market Management				
.....				
8.3 Expected output and outcomes from the proposed Sub Project				
.....				
9. Summary of cost share by cost categories (from section 14.5)				
S.N.	Description	Capital cost (NRs)	Recurrent cost (NRs)	Total (NRs)
1.	Contribution of applicants (Capital, Self-investment, bank loan)			
2.	Grant requested from KUBK (NRs)			
Total				

10. Mention, if you have received any assistance from other Institutions for this proposed Sub-project?
 Purpose of assistance:.....
 Name of the Institution:.....

Amount (NRs):.....

11. Physical, Financial and Human resources

Table 11.1: Physical Resources

S.N.	Description	Number	Present Status	Remarks

Table 11.2.: Human Resources

S.N.	Name	Education/Training	Duration	Degree Obtained	Remarks

Table 11.3 : Financial status of last 3 years

S.N.	Sources of funding	Year..... (NRs)	Year..... (NRs)	Year..... (NRs)	Remarks

12. Environmental and Social Aspects

Does the proposed sub project have any adverse effect on environment and social aspects? If yes what type of effect does it occurs? What measures do you adopt to mitigate such effects?

.....

13. Sub Project Implementation and Management Committee

Table 13: Sub project Management committee

Position	Name	Membership	Special role	Remarks
Chairperson				
Secretary				
Accountant				
Monitor				

Table14.2 : Seed Production /Collection target

Season		Name of the crop	Variety	Area covered (Ha.) (20 Ropani = 1 Ha)	Expected yield/Collection (MT)	Expected seed sale (MT)
First year	Rainy season					
	Winter season					
	Spring season					
Second year	Rainy season					
	Winter season					
	Spring season					
Third year	Rainy season					
	Winter season					
	Spring season					

Table 14.3 Milk and Milk based Products

Milk and Milk based Products	Year 1			Year 2			Year 3			Total Production /Collection	Total Sales	Buyers
	Production /Collection	Sales	Amount (NRs)	Production /Collection	Sales	Amount (NRs)	Production /Collection	Sales	Amount (NRs)			
Milk												
Ghee												
Panir												
Khuwa/sweets												
Ice-cream/ Kulfi												
Dahi												
Other(Specify).....												
Total												

Table14.4: Meat and meat based products

Meat and meat based products	Year I			Year II			Year III			Total sale (NRs) Sales	Buyers
	Production	Sales	Amount (NRs)	Production	Sales	Amount (NRs)	Production	Sales	Amount (NRs)		
Goat meat											
Buff meat											
Pork											
Chicken											
Meat based products											

Table 14.5: Work Plan & budget and Cost sharing for the proposed sub project

S.N.	Details of work	Unit	Quantity	Rate	Total (NRs)	Cost share		
						Grant Requested	Grantees Contribution	Grant Percentage
A	Capital Investment (Infrastructure and machinery)							
1	Physical Infrastructure (Collection center, storage house etc)	Sq. m.						
1.1								
1.2								
1.3								
2.	Irrigation Infrastructure (cannel Construction, Plastic pond, HD and other Pipe irrigation)							
2.1								
2.2								
2.3								
3.	Machinery Equipments and other materials (Power tiller, Sprayer, Duster, Sprinkler, Milk can, Milk Analyzer, Chilling vat, Generator, Metal bin ,packing bags)	No						
3.1								
3.2								
3.3								
3.4								
	Capital Investment (Total)							
B.	Recurrent cost							
4	Production Inputs							
4.1	Source Seed	Kg						

S.N.	Details of work	Unit	Quantity	Rate	Total (NRs)	Cost share		
						Grant Requested	Grantees Contribution	Grant Percentage
4.2	Chemical fertilizer	Kg						
4.3	Organic fertilizer	Kg						
4.4	Pesticides and micronutrients							
5	Human Resources and capacity development plan							
5.	Unskilled Labor	p/d						
5.1	Technical Consulting Services	p/d						
5.3	Training and workshops	No						
5.2	Others							
6.	Governance and Transparency							
6.1	Hoarding Board Display (Aluminum/tin)	No						
6.2	Public hearing	Times						
6.3	Sub-project Information flow from FM Radios (local)	Times						
6.4	Participation in Agricultural Fair	Times						
6.5	Annual Report Preparation	No						
6.6	Final Report preparation	No						
	Total (Recurrent cost							
	Total expenditure of the proposed sub project)							
	Total expenditure of the proposed sub Project							

Annex 2: FPP Template
 Government of Nepal
 Ministry of Agricultural Development
Improved Seeds for Farmers' Programme (KUBK-ISFP)
Template for Full Sub Project Proposal (FPP)

For Official use only	
KUBK-ISFP Code number	

Documents required for FPP submission

S.N	Important Document/Certificate	Description
1	Registration Certificate	A copy of registration certificate issued by the concerned Government Authority as specified in eligibility criteria

Section 1 Applicant's Basic Information

A. Applicant and Contact Persons' Information

Applicant's Information	Name:.....
Full address of Applicant	District:..... V.D.C/Municipality: Ward No:..... Village :..... Email:..... Telephone Number:
Contact Address	Authorized or Contact Person's Name:..... Telephone:..... Mobile No: Fax..... Email.....
Category of Applicant (Tick mark)	1. Farmers Group 2. Cooperatives 3. Medium/Big Entrepreneurs (a)Seed (b) Milk (c) Meat 4. Other (Specify).....
Establishment date of Firm/Farmers' Group/ Cooperative	DD/MM/Year :.....
Registration Status of Firm/ Farmers' Groups /Cooperatives	Registration Number:..... Registering Authority: Date: DD/MM/Year
VAT/PAN No.

B. Description of the proposed sub project

1.Name of the sub project
2. Address	District:VDC/Municipality:..... Ward No:..... Village..... Telephone Number..... Mobile No.....
3.Objectives (Maximum 3)	1. 2. 3.

4. Beneficiaries			
4.1. Households Number (HH)	1.Total :	Female :.....	Male :.....
	2.Janajati :.....	Female :.....	Male :.....
	3.Dalit :	Female :.....	Male :.....
	4. Landless :.....	Female :.....	Male :.....
	5.Others :.....	Female :.....	Male :.....
4.2. Population of Direct beneficiaries	1.Total :	Female :.....	Male :.....
	2.Janajati :.....	Female :.....	Male :.....
	3.Dalit :	Female :.....	Male :.....
	4. Landless :.....	Female :.....	Male :.....
	5.Others :.....	Female :.....	Male :.....
4.3. Population of Indirect beneficiaries	1.Total :	Female :.....	Male :.....
	2.Janajati :.....	Female :.....	Male :.....
	3.Dalit :	Female :.....	Male :.....
	4. Landless :.....	Female :.....	Male :.....
	5.Others :.....	Female :.....	Male :.....

C. 1 . Summary of cost share by cost categories (from Annex 2)

S.N.	Financial Resources	Capital cost (NRs)	Recurrent cost (NRs)	Total (NRs)
1.	Contribution of applicants (Capital, Self-investment, bank loan)			
2.	Grant requested from KUBK (NRs)			
Total				

C.2Mention, if you have received any assistance from other Institutions for this proposed Sub-project?

Name of the Institution:.....

Purpose of assistance:.....

Amount (NRs):.....

C.2 Executive Committee of the organization /Firm

Position	Name	Contact Number

Section 2: Description of proposed Sub Project

2.1. Experience of the grant recipients

a. General Experience in Agriculture and Livestock business:

Describe in brief about present status of your business, activities implemented, experience gained till date (Max 200 words)

.....

.....

.....

.....

.....

.....

b. Experience of the applicant about the theme of proposed sub project

Seed Production, Goat farming, Meat entrepreneurs, Milk production and processing (Max 200 words) please submit pictures, certificates for justification, if any.

.....

.....

.....

.....

.....

c. Justification of Proposed sub project (Max 200 words)

.....

.....

.....

.....

2.2. Status of Physical, Financial and Human resources

2.2.1. Physical Resources

S.N.	Description/Name	Quantity	Present Status/Condition	Remakes

2.2.2. Human Resources

S.N.	Name	Field of Training /Education	Duration	Degree/award	Remakes

2.2.3. Financial Resources (Last three year)

S.N.	Sources	Year..... (NRs.)	Year..... (NRs.)	Year..... (NRs.)	Remakes

2.3. Please mention the major problem, faced for commercial production and marketing of your produce.

a. Production related problems

- 1.
- 2.
- 3.
- 4.

b. Post harvest and market related problems

- 1.
- 2.
- 3.
- 4.

2.4. Explain the expected output/outcome in terms of area, production, productivity and marketing after implementation of the subproject.

2.4.1. For seed production sub project

S.N.	Crop/Livestock	Unit	Present volume (base year)	Expected volume (after project intervention)
1.	Area covered			
	Rice	Ha		
	Wheat	Ha		
	Maize	Ha		
	Vegetables	Ha		
2.	Seed Production			
	Rice	MT		
	Wheat	MT		
	Maize	MT		
	Vegetables	MT		
3.	Employment generation	No		
4.	Income from Seed sale	NRs		
5.	Others			
			
			

2.4.2. Goat and commercial dairy farming

S.N.	Crop/Livestock	Unit	Present volume (base year)	Expected volume (after project intervention)
1.	Number of meat goat	No.		
2.	Production of live meat goat	No.		
3.	Collection of live meat goat	No.		
4.	Sale of live meat goat	No.		
5.	Processed meat sale	Kg.		
6.	Number of milk animal	No.		
7.	Milk production/collection	Litre		
8.	Ghee production	Kg.		
9.	Paneer production	Kg.		
10.	Sweets/Khuwa production	Kg.		
11.	Employment generation	No		
12.	Income from product sale	NRs.		
13.	Others			
			
			

2.5. In what respect your proposed sub project is different from other similar projects? List the innovative features of your sub project with its strength and risks associated with the sub project (Max: 200 words)

.....

.....

.....

.....

2.6. Describe financial viability of the proposed sub-project with the help of income statement.

[Entrepreneurs' applying for Seed Company and large scale dairy/meat industry under W3 need to explain about the financial strength of the sub-project [use Net Present worth (NPV), internal rate of return (IRR), breakeven point, Payback period and Sensitivity analysis in detail. The analysis sheet should be placed in Annex].

.....

.....

2.7. Describe marketing strategies of the sub-projects (backward and forward linkage)

.....

.....

.....

.....

Section3: Production/Business plan of sub project

3.1. Production target

3.1.1. Seed production

Cropping season/year		Crop	variety	Area covered(ha)	Expected production(MT)	Expected seed sale(MT)
Year I	Rainy					
	Winter					
	Spring					
Year II	Rainy					
	Winter					
	Spring					
Year III	Rainy					
	Winter					
	Spring					

3.1.2. Production target of milk and milk products

Milk and milk products	Year 1			Year 2			Year 3			Total sale (NRs)
	Production Volume	sales volume	NRs	Production Volume	Sales Volume	NRs	Production Volume	Sales Volume	NRs	
Milk										
Ghee										
Paneer										
Khuwa/Sweets										
Ice-cream/Kulfi										
Dahi										
Other (Specify)										

3.1.3.: Meat and meat based products

Meat and meat based products	Year I			Year II			Year III			Total sale (NRs)	Buyers
	Production	Sales	Amount (NRs)	Production	Sales	Amount (NRs)	Production	Sales	Amount (NRs)		
Goat meat											
Buff meat											
Chicken											
Pork											
Meat based products (Sausage, dried meat)											

3.2 Estimated Income and Expenditure statement for five years

S.N.	Description	Year 1	Year 2	Year 3	Year 4	Year 5
A	Income Details					
1						
2						
3						
4						
5						
Total income						
B	Expenditure Details					
1						
2						
Total Expenditure						
Gross margin (Income-Expenditure)						
Financial Analysis (Farmers group and Cooperative BCR only)		BCR	NPV	IRR	BEP	PBY

4.3: Work Plan and budget and Cost sharing for the proposed sub project

S.N.	Details of work	Unit	Quantity	Rate	Total (NRs)	Cost share		
						Grant Requested	Grantees Contribution	Grant Percentage
A	Capital Investment (Infrastructure and machinery)							
1	Physical Infrastructure (Collection center, storage house etc)	Sq.m.						
1.1								
1.2								
1.3								
2.	Irrigation Infrastructure (cannel Construction, Plastic pond, HD and other Pipe irrigation)	No./KM						
2.1								
2.2								
2.3								
3.	Machinery Equipments and other materials (Power tiller, Sprayer, Duster, Sprinkler, Milk can, Milk Analyzer, Chilling vat, Generator, Metal bin ,packing bags)	No						
3.1								
3.2								
3.3								
3.4								
	Capital Investment (Total)							
B.	Recurrent cost							
4	Production Inputs							
4.1	Source Seed	Kg						
4.2	Chemical fertilizer	Kg						
4.3	Organic fertilizer	Kg						
4.4	Pesticides and micronutrients	Kg						

3.4. Annual Break down of Work Plan and Budget of the proposed sub project

S.N.	Details of work	Unit	Quantity	Rate	Total (Rs)	Year I			Year II			Year III		
						Quantity	Amount (NRs)		Quantity Grant	Amount (NRs)		Quantity	Amount (NRs)	
							Grant	GR		Grant	GR		Grant	GR
A	Capital Investment (Infrastructure and machinery)													
1	Physical Infrastructure (Collection center, storage house etc)	Sq.m.												
1.1														
1.2														
1.3														
2.	Irrigation Infrastructure (cannel Construction, Plastic pond, HD and other Pipe irrigation)	No./KM												
2.1														
2.2														
2.3														
3.	Machinery Equipments and other materials (Power tiller, Sprayer, Duster, Sprinkler, Milk can, Milk Analyzer, Chilling vat, Generator, Metal bin ,packing bags)	No												
3.1														
3.2														
3.3														
3.4														
	Capital Investment (Total)													
B.	Recurrent cost													
4	Production Inputs	Kg												
4.1	Source Seed	Kg												
4.2	Chemical fertilizer	Kg												
4.3	Organic fertilizer	Kg												

S.N.	Details of work	Unit	Quantity	Rate	Total (Rs)	Year I			Year II			Year III		
						Quantity	Amount (NRs)		Quantity Grant	Amount (NRs)		Quantity	Amount (NRs)	
							Grant	GR		Grant	GR		Grant	GR
4.4	Pesticides and micronutrients													
5.	Labor	person-day												
5.1	Technical Consulting Services	P-day												
5.2	Others	P-day												
6.	Governance and Transparency	No												
6.1	Hoarding Board Display (Aluminum/tin)	Times												
6.2	Public hearing	Times												
6.3	Sub-project Information flow from FM Radios (local)	Times												
6.4	Participation in Agricultural Fair	No												
6.5	Annual Report Preparation	No												
6.6	Final Report preparation													
	Recurrent cost I(Total)													
	Total Cost of sub project													

3.7. Environment and Social Screening

Table 3.9: Surroundings of the sub project implementation Site

S.N.	Particular	Yes	No	If yes, is there possibility of any negative effect?
1	Forest/wildlife/other resources			
2	Water bodies (River, pond, lakes)			
3	National Park/Protected Areas			
4	Drinking water source			
5	Heritage site/temple/religious site			
6	Grave yard			

Table 3.8: Responses on environmental and social issues

S.N.	Statement	Yes	No
1.	Does the proposed project intend to use or depend on any resources of national parks and protected areas or any critical aquatic and terrestrial habitat area?		
2.	Is the proposed project area located in high risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverside area susceptible to flooding, and in areas causing large-scale soil erosion?		
3.	Will this project involve land clearance on slopes greater than 45 degree? 4		
4.	Will the proposed project affect the heritage site?		
5.	Will the proposed project involve in logging or causing any major environmental harm?		
6.	Is the proposed project likely to eliminate indigenous plant species of ecological significance?		
7.	Does the proposed project involve any activities which are likely to make irreversible adverse impact on indigenous communities, women and vulnerable groups?		
8.	Does the proposed project include any activities that promote or involve incidence of child labor?		
9.	Does the proposed project require some families losing their prime farm land and assets on the land and displacement of families due to cons		
10.	Will the proposed likely to use pesticides?		
11.	If pesticide use is likely, what are potential pesticides (is the pesticide listed in the negative list of Pesticides, is not permissible)		

3.8. Environment Management Plan

Specific activities or practices proposed to prevent or mitigate any environmental or social problems that may arise from the implementation of the proposed sub project, if selected.

Activities*	Impact on Environment	Mitigation measures	Mitigation cost	Monitoring Indicator	Remarks

* Mention the activities that affect environment

Section 4: Other Information

4.1. Sub Project Implementation and Management Committee

Position	Name	Membership	Special role	Remarks
Chairperson				
Secretary				
Accountant				
Monitor				

4.2. Monitoring and Supervision

S.N.	Main Activities*	Start Date	Proposed Completion date	Success indicator
1				
2				
3				
4				
5				

*Mention only corner stone activities

4.3. Self Declaration

S.N.	Description	Declaration (Yes/No)
1.	Have you discussed thoroughly on the following matters with farmer group/Cooperative members before submission of proposed sub project?	
	a. Concepts and benefit of the proposed sub projects	
	b. Fund contribution and management	
	c. Participation in the sub project	
2.	Have you discussed about the maintenance of physical infrastructures and machinery? If yes, mention the matters you have discussed.	
3.	How do FGs/COPs members gain skill in operating these equipments and machineries?	
4	There is no discrepancy in wage rate for women and men in same work in KUBK-ISFP financed sub project	
5	Employment priority shall be given to the women, Janajatis, Dalits and poor in KUBK –ISFP financed sub projects.	

4.4. Mention the sustainability plan of the proposed sub project

.....

.....

.....

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.....

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Annex 3: Code of Conduct for Field Verification
Government of Nepal
Ministry of Agricultural Development
Improved Seeds for Farmers' Programme (KUBK-ISFP)

CODE OF CONDUCT FOR FIELD VERIFICATION

1. Purpose of field verification

All the applications (PCN/FPP) applied for the KUBK-ISFP grant shall go through field verification process prior to approval to assess grant applicants' technical/geographical, institutional and financial capabilities and commitments. Thus, the field verification team should be aware about the spirit of KUBK-ISFP development objectives and basis of the investment. The purpose of field verification is summarized as:

- i. It allows to assess successful PCN applicants' on their technical/geographical, institutional and financial capabilities and commitments prior to making full proposal to save valuable time and limited fund for preparing detail FPPs (W3)
- ii. It allows to assess successful FPP applicants' on their technical/geographical, institutional and financial capabilities and commitments prior to making negotiations and contract agreements.
- iii. It provides opportunity to poorly prepared, weak and less competitive organizations to compete in Programme's future calls after making adequate preparations and full understanding of KUBK-ISFP's investment approach
- iv. It ensures transparency and good governance within the grant applicant organizations.

2. Formation of Field Verification team and Code of Conduct

The Program Manager of KUBK-ISFP shall form one or more field verification teams led by designated officer working at PMO/KUBK-ISFP for the purpose of field verification. The composition of field verification team will be as follows:

For Windows 1 & 2

Designated Officer (Deputed/recruited) from PMO- Coordinator,
Representative officials from DADO/DLSO (based on the value chain)- member
District Seed Coordinator/Livestock Specialist⁶ from PIU/KUBK- member
Agribusiness Development Advisor from Investment Window- member
Representative from District Chamber of Commerce and Industry – member

For windows 3

Designated Officer (Deputed/recruited) from PMO- Coordinator,
External Expert (Agri-business)
External Financial Expert

⁶ Goat specialist, dairy specialist or animal health specialist

Explanation: *Absence of one or more members in the above team will not bar the Program to carry out field verification in any district. However, there should be at least three members in the field verification Team. In case of W3, Participation of both external expert is mandatory*

2.1 Preparation for Field Verification

- a. The KUBK-ISFP Programme should inform tentative timetable of field verification in advance to the grant applicant's before dispatching the field verification team to the sites. So that respective organizations could prepare themselves to present proposal effectively and convincingly to the team.
- b. The field verification team should ensure that the concerned person/s who applied on behalf of the organization (contact person specified in the PCN/FPP/ chief executive/ chair person of the organization) is present during the field verification.
- c. The team should prepare all the required templates; evaluation documents and invitation or rejection letter (PCN/FPP) before the start of field verification.
- d. The Team should fill the **Standard Field Verification Report Form** and make the decision on site with the Team's consensus itself after the completion of field verification of specific application (PCN/FPP): (i) to issue invitation letter for full sub project proposal (W3)/to issue invitation letter for negotiation and contract agreement (W1 and W2), or (ii) to suggesting grant applicants for undertaking preparatory works on their application (PCN/FPP) to submit meaningfully in the future calls.
- e. If the team fails to make consensus decision, the coordinator will refer to the Programme Manager (PM) to come into a common decision. The PM shall then send a new team for re-field verification within seven working days. The decision of the second team will be final. In case, the second team fails to make a consensus decision, the majority decision of the second FV team will be the final.
- f. The team should get a commitment from the grant applicant's organization mentioning that it will fully respect team's decision and make no obstructions on whatever will be the team's decision prior to the start of the field verification. However, this would not restrict grant applicant's right to appeal to the Programme.
- g. The team is hereby advised for not to issue a letter to grant applicant to submit a full project proposal/ to issue a invitation letter for negotiation and contract agreement, when any one or more of the following situations are found during the field verification.
 - i. Proposed location for sub project implementation is geographically and technically unsuitable for commercial production and marketing of the commodities as specified on application (PCN/FPP).
 - ii. Implementation of the proposed sub-project is likely to cause considerable or permanent damages to the environment and negative social impact.
 - iii. Information provided in the application is not match with field reality and the team shall not convince with grant applicant's proposal during the field verification
 - iv. The grant applicants are responsible to bear part of the total project costs as a matching fund. In this connection, if the team will not convince with the proposal of grant applicant's financial plan to cover required sub project's matching cost.

2.2. Code of Conduct for the Verification Team

The field verification team should follow the following code of conduct while conducting the field verification of successful grant applications (PCN/FPP).

- i. The team should reach to proposed sub-project site in pre informed time. If it will be delayed due to unavoidable reasons such as traffic jam, strikes, road closures, landslides, flood etc. ,it will keep on updating the situation to the concerned organizations and inform new time or date.
- ii. The team should maintain objectivity, reliability and transparency during the field verification
- iii. The team should carry out field verification in a very friendly and non-threatening manner
- iv. The Coordinator/team should provide adequate justifications with convincing reasons to the grant applicant when the PCN/FPP is being rejected following field verification
- v. Inform grant Applicant that it has right to appeal to the Programme Manager within 15 days from the date of the field verification, if grant applicant is not convinced with justification and the decision of the field verification team.
- vi. The field verification team will keep the Programme Manager updated on the field verification results and issues (if any) daily as far as possible.

2.3 Roles and responsibilities of the Programme Manger

- i. The Programme Manager shall delegate the role for decision making to the Coordinator (field verification team) with the consensus of the team members on the site, so that s/he can issue the decision letter immediately after the completion of field verification.
- ii. The Programme Manager shall dispatch the new (second) field verification team to a site of a particular sub-project proposed by any grant applicant within seven working days from the date of complaint/appeal lodged by a grant applicant organization.

Explanation: The KUBK-ISFP will take no action when the Programme does not receive any petition against the decision of the field verification team within 15 days from the date of field verification. The decision of the second field verification team will be final.

- iii. The Programme Manager should closely monitor the activities and performance of the field verification team so that s/he will be updated with the situation of the field, whether serious concerns and issues aroused need to settle or not.

2.4 Key considerations for Field Verification Team

- i. Introduce your team and be familiar with the grant applicants, if necessary/asked show your identity (ID) card.
- ii. Explain the purpose of field verification and get their commitment to accept the decision whatsoever and also explain the right of petition on decision
- iii. Verify basic information provided in PCN/FPP and update it, if it seems to be relevant and logical without loosing its originality.
- iv. Confirm technical and ecological suitability of proposed site and examine the proposed sub project with respect to existing resources, institutional, technical and financial capacity of grantee to attain expected output and outcomes.
- v. Oversee the environmental effect that might be happened in the surroundings due to the implementation of proposed sub project

2.5. Evaluation of the proposed sub project in the field

The field verification team shall use Table 3.10 of Annex 4 for the evaluation of proposed sub project. However, the field team may add special technical evaluation criteria with team consensus (if necessary) and getting approval from Programme Manager from email or any other media. The application (PCN/FPP) proposed for implementation of any types of sub project scoring less than 50 % of the total score is ineligible for KUBK-ISFP financing.

Annex 4: Standard Field Verification Report Form

Government of Nepal
Ministry of Agricultural Development
Improved Seeds for Farmers Programme (KUBK-ISFP)

STANDARD FIELD VERIFICATION REPORT FORM

Please check the followings documents and get the evidence prior to the start of the field verification

SN	Document	Action	Response of FV Team (Yes/No)
1.	Original Certificate of Registration at competent authority	Verify	
2.	An original copy of the PCN/FPP submitted	Verify	
3.	Ask commitment letter for implementation of Sub project, (if original letter is not included in PCN/FPP)	Ask for commitment letter	
4.	Original Commitment letter from the Bank or financial institutions to provide credit to the grant applicant subject to the approval of the matching grant by the KUBK-ISFP, if applicable	Verify if copy is included in PCN/FPP	
5.	Commitment letter from the collaborating agency to shoulder part of their finance/project cost, if the Grant Applicant expects to receive such assistance from other organization, if applicable	Verify the letter with the GA and also with the collaborator, if present during field verification	
6	Organization of General Assembly Regularly	Verify minutes Book	
7	Organization of executive committee meeting	Verify minutes Book	
8	Annual audit (if applicable)	Verify audit report	

A. Basic Information

1. Date of Field Verification: District:.....

2. Name of the Grant Applicant:

3. KUBK-ISFP Code:.....

4. Address: VDC/Municipality:.....Ward

No.:.....Village:.....

Telephone: Mobile:

5. Contact Person of the Grant Applicant:

5.1 Chair Person's Name:.....Mobile:.....

5.2 Contact Person's Name: :.....Mobile:.....

6. Type of grant applicant (Single choice)

a. Farmer Group

b. Cooperative

c. Seed Producer Company

d. Agro vet

e. Meat entrepreneurs

f. Milk entrepreneurs

7. Key functions in the value chain (Application) applied for:

- | | | |
|-------------------------------|------------------------------|---------------------------|
| a. Cereals seed production | b. Vegetable seed production | c. Seed Company |
| d. Small Milk processing unit | e. Agroveta | f. Paravet |
| g. Butchery Shop | h. Milk Collection Centre | i. Goat Collection centre |
| j. Dairy industry | k. Seed Processing Industry | l. Others (specify)..... |

B. Other Information (Field Verification team should verify and update following information)

Table 3.1: Other Information

SN	Description	Response
1	Experience in the value chain applied for	Yes : No:
	If yes number of years
2	Date of registration	year/month/day:
3	Type of FGS/COPS	Male/Female/Mixed:
4	Only women organization	Yes/No
5	Number of direct beneficiaries at present (update as per PCN/FPP submitted)	Male:..... Female:..... Female:..... Dalit: Male..... Female..... Janajati: Male..... Female..... Others: Male..... Female.....
	Number of beneficiaries after KUBK intervention (update as per PCN/FPP submitted)	Male:..... Female:..... Dalit: Male..... Female..... Janajati: Male..... Female..... Others: Male..... Female.....
2	Field verification	
2.1	Farmer group/Cooperative members present in field verification are same as proposed in the proposal	Yes/No
2.2	Number of participants present at time of the FV	Male:..... Female:.....
2.3	Representatives of the localbodies (VDC/Municipality) participated at time of the FV	Yes/No
2.4	Technical and financial Assistance received by GR from any organization at present	Yes/No
2.5	If yes, or in process, name of the organization	<u>Type of the organization (Tick)</u> 1. GoN2. NGO/INGO 3. Private firm 5. Donor Agency 6. DDC. 7 VDC. 8. Other (Specify).....
2.6	Nature of assistance	1. Technical Assistance:..... 2. Financial Assistance: NRs..... 3. Financial Assistance provided for.....

C. Please verify all Capital assets owned by Grantee (FGs/COPs/Private Entrepreneurs) and clearly mention the working condition of these assets)

Table 3.2: Capital assets owned by Grantee

S.No.	Capital Assets	Number	Capacity/ Present condition of the Assets
1.	Physical Infrastructures		
1.1	Office Building		
1.2	Storage house		
1.3	Threshing floor etc		
1.4	Irrigation system (if proposed)		
1.4	Cattle shed/Goat shed		
1.5	Dipping Tank		
1.6	FGs/COPs managed Collection centre/market structures		
1.7		
1.8		
1.9		
2	Machinery Equipments		
2.1	General Equipments		
	Tractor/power tiller		
	Sprayer/Duster		
	Thresher		
	Metal bin/Improved seed storage equipments		
	Seed drill		
	Bag sewing Machine		
	Chaff cutter		
	Castration Equipments		
	Weighing balance with its capacity		
	Plastic crate		
2.2	Dairy Equipments		
	Chilling vat (capacity.....)		
	Milk Can		
	Homogenizer		
	Milk analyser		
	Milk processing units (Building)		
	Tagging machine		
		
		
		
2.3	Butchery Equipments		
	Condition of slaughtering Unit (floored with ceramic tiles or marbles etc)		

S.No.	Capital Assets	Number	Capacity/ Present condition of the Assets
	Refrigerator		
	Butchery Equipments (Slaughtering equipments)		
	Weighing balance with capacity		
	Water supply system		
	Condition of waste disposal system		
	Level of sanitary and hygiene		
		
		
2.4	Other equipments (specify)		
		
		
		
		

D. Gender and Social inclusion in GRs' Organization/Firm

Table 3.3 Social inclusion

Body	Dalit		Janajati		Others		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
General body								
Executive Committee								

E. Employment Status of the Organization/Firm

Table 3.4: Employment Status

Type of employment	No	Female	Male	Dalit		Janajati		Others	
				Female	Male	Female	Male	Female	Male
Permanent staff at present									
Temporary employee at present (annual)									
Expected additional employment after the implement of proposed sub projects									

F. Financial status of the Organization/Firm

Table 3.5: Financial Status

Description	Approx(Rs)	Remarks
Monthly Saving		
Bank deposit (<i>mention name of the Bank</i>).....		
Payable to other including loan(<i>Please mention name of the Bank, if loan is taken from the Bank</i>)		
Receivable from others including Bank , donors and service recipients (<i>Name of major institutions/organizations</i>).....		
Cash with GA, if any		
Equity		

G. Institutional linkages and affiliations of the grant applicant

Table 3.6: Institutional linkages

Name of Organization	Purpose of Affiliation
DADO	
DLSO	
Local bodies (VDC/Municipality/DDC)	
Other Gov. Institutions (Name:.....)	
Local NGOs (Name :.....)	
National NGO (Name :.....)	
INGO (Name :.....)	
Producers' Association (Name :.....)	
Input Supplier (Name :.....)	
Marketing Agency/ Trader (Name :.....)	
Other, if any (Name:.....)	
(Name:.....)	

H. Production/business related information

- Major activities implemented by applicant at present-(Maximum 5)
 - 1.
 - 2.
 - 3.
 - 4.
- Key problems and challenges observed by the FV Team (Maximum 5)
 - 1.
 - 2.
 - 3
 - 4
 - 5
- Relevancy of Key activities mentioned in PCN/FPP with respect to objective (Maximum 7)

Table 3.7: Relevancy of activities proposed

S.N.	Activities Mentioned in PCN/FPP	Relevancy
1		
2		
3		
4		
5		
6		
7		

I. Please verify and update baseline data with respect to expected Outputs/Outcomes from the proposed sub project

Table 3.8: Baseline information

S.N.	Crops/Commodities	Area (ha.)/No		Production(MT)		Sales(MT)		Present Sales price (NRs./Kg or lit.)
		Baseline	Target	Baseline	Target	Baseline	Target	
1	Cereals vegetable Seed Business							
1.1	Rice							
1.2	Maize							
1.3	Wheat							
1.4	Vegetable Seeds							
1.5	Employment (p-day)							
1.6	other							
2	Dairy Business							
2.1	Dairy Animals							
2.2	Milk Production							
2.3	Ghee Production and sale							
2.4	Milk Collection and sale							
2.5	Panir production and sale							
2.6	Sweets and Confectionary							
2.7	Animal production and Sale							
2.8	Employment (p-day)							
2.9	Others							
3	Goat Farming							
3.1	Animal per HH							
3.2	Male goat production and sale							
3.3	Doe production and sale							
3.4	Goat Collection and Sale							
3.5	Employment (p-day)							
3.6	Other							
4	Butcheries							
4.1	Meat production and sale							
4.2	Other							

S.N.	Crops/Commodities	Area (ha.)/No		Production(MT)		Sales(MT)		Present Sales price (NRs./Kg or lit.)
		Baseline	Target	Baseline	Target	Baseline	Target	
5	Other business							

J. Confirmation on Environmental and Social Effect (Please reconfirm the environmental and social effect with respect to responses provided in PCN/FPP)

Table 3.9: Surroundings of the sub project implementation Site

S.N.	Particular	Yes	No	If yes, is there possibility of any negative effect?
1	Forest/wildlife/other resources			
2	Water bodies (River, pond, lakes)			
3	National Park/Protected Areas			
4	Drinking water source			
5	Heritage site/temple/religious site			
6	Grave yard			

2. Responses on Environmental and Social Screening

Table 3.8: Responses on environmental and social issues

S.N.	Statement	Yes	No
1.	Does the proposed project intend to use or depend on any resources of national parks and protected areas or any critical aquatic and terrestrial habitat area?		
2.	Is the proposed project area located in high risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverside area susceptible to flooding, and in areas causing large-scale soil erosion?		
3.	Will this project involve land clearance on slopes greater than 45 degree? 4		
4.	Will the proposed project affect the heritage site?		
5.	Will the proposed project involve in logging or causing any major environmental harm?		
6.	Is the proposed project likely to eliminate indigenous plant species of ecological significance?		
7.	Does the proposed project involve any activities which are likely to make irreversible adverse impact on indigenous communities, women and vulnerable groups?		
8.	Does the proposed project include any activities that promote or involve incidence of child labor?		
9.	Does the proposed project require some families losing their prime farm land and assets on the land and displacement of families due to cons		
10.	Will the proposed likely to use pesticides?		
11.	If pesticide use is likely, what are potential pesticides (is the pesticide listed in the negative list of Pesticides, is not permissible)		

Note:

- a. Please mention any environmental and social effect may arise due to the implementation of proposed subproject based on your field observation.

.....

-

 b. If, it is necessary: to prepare environmental code of practice and management plan by the grantee, please suggest them to prepare and include environment code of conduct in the full proposal (only for W3).

Sugesstion:.....

K. Key constraints observed for the commercial production and marketing during field verification on Value chain applied for

.....

L. Evaluation of the proposed sub project

The PMO officer who shall lead the Field Verification Team shall orient field team about field verification procedures and guide for evaluation process before departure to the field. Please rate the proposed sub projects individually by using Table 3.10 and aggregate it for final results. Experts are suggested to rate using whole number while rating. If, there is fraction in average score, then round it towards upper limit, e.g. 49.1= 50, 49.2=50 and 49.7=50

Table 3.10: Indicators for field evaluation of proposed subproject

S.No.	Indicators	Maximum Marks	Evaluation Rating	Marks obtained	Evaluator Remarks
1	Experiences and Institutional Assessment	30			
1.1	Experience of the GR* in the value chain applied for	8			
1.2	Institutional	10			
a	Group consensus for the application of proposed sub projects	2			
b	Decision making process and regularity in meeting	2			
c	Activeness of the GR	2			
d	Participation of beneficiaries (direct beneficiaries) and Social inclusion (women, Dalit and Janajati)	2			
e	Linkage or membership of the grant recipient to the producer associations/other organization working for similar value chain	2			
1.3	Financial Capability of the GR	6			
a	Regular Saving (Institutional/private)	2			
b	Group consensus for resources matching	2			
c	Sources of matching fund and assurance	2			
1.4	Physical Infrastructure and Machineries	4			
a	Status of present physical facilities (Land, Buildings, storage house etc.)	2			
b	Status of machinery, equipments and vehicle (Except small	2			

S.No.	Indicators	Maximum Marks	Evaluation Rating	Marks obtained	Evaluator Remarks
	equipments and machinery e.g. sprayer, Spade, axe, crate, knife etc)				
1.5	Remoteness of the site purposed for subprojects	2			
2.	Technical Assessment	70			
2.1	Geographical & technical suitability for the production of proposed commodities (Seed, meat, Milk)	30			
2.3	Technical Knowhow of the GR in the area of proposed sub projects	10			
2.3	Linkage with service providers and Market Players	10			
a	Public technical service providers (DADO/DLSO etc.)	5			
b	Private input suppliers and service providers (Agrovet, Paravet, Seed and dairy company, meat and milk processing entrepreneurs, Traders/ buyback agreement)	5			
2.3	Market potential for produced commodity and product diversification	10			
	Potential commodity for local market	2			
	Potential commodity for regional market	2			
	Potential commodity for National market	2			
	Buy back agreement/contract farming	2			
	Possibility of product diversification	2			
2.4	Plausible Environmental effect due to implementation of proposed sub projects	5			
2.5	Sustainability of the proposed sub project after the termination of KUBK-ISFP support	5			
	Total (1+2)	100			

*GR= Farmers group/ Cooperatives/ private Entrepreneurs

Evaluation Rating: (1)Satisfactory: Score 50 or > 50 (2) Unsatisfactory: Score <50

Decision Taken

Date :.....

- 1 We the Field Verification Team decided to issue an invitation letter to the grant applicant to contact KUBK-ISFP Office for agreement within 15 working days from the day of issuing this letter. (√) Mark t
- OR
- 2 We the Field Verification Team decided to inform the grant applicant to submit Full Project Proposal within 30 workingdays from the day of issuing this letter to KUBK-ISFP Office. (√) Mark tick
- OR
- 3 We the Field Verification Team decided to revoke the grant applicant proposal and requested to submit next time with correction. (√)Mark tick.

Field verification Team

Name	Organization	Designation	Signature
Coordinator Mr./Mrs			
Member Mr./Mrs			
Member Mr./Mrs			
Member Mr./Mrs			
Member Mr./Mrs			
Member Mr./Mrs			

Annex: 5 Grant Norms

Government of Nepal
Ministry of Agricultural Development

Improved Seeds for Farmers' Programme (KUBK_ISFP)

S.N.	Description of Materials and services	Unit	Cost Sharing for sub projects		Remarks
			KUBK	Grantees	
1	Capital Investment				
1.1	Small Irrigation Schemes (Plastic Pond, Canal irrigation, Drinking water scheme for Animal, Water tank, Water reservoir, etc._	No./Sq. feet/Sq m	80%	20%	<ul style="list-style-type: none"> • Available only for Farmers group and Cooperatives in public utilities • Financing is not available for maintenance work • Not available more than 60% of grant amount ⁷
1.2	Construction of physical utilities(Milk processing Centre, Milk and goat Collection centre, Seed storage house, Community Goat pen construction, Threshing floor etc)	Sq. m	80%	20%	<ul style="list-style-type: none"> • Available only for Farmers group and Cooperatives in public utilities • Financing is not available for maintenance work • Not available more than 50% of grant amount
1.3	Construction of physical utilities(Milk processing Centre, Milk and goat Collection centre, Seed storage house, Goat pen construction, meat processing centers, Threshing floor etc)	Sq. m	50% of total cost	50% of total Cost	<ul style="list-style-type: none"> • For private Entrepreneurs • Not available more than 50% of grant amount • Financing is not available for maintenance work
1.4	Sanitation and disposal management (Marble/tile/stone paving in dairy and meat enterprises, drain cannel and disposal pit and sanitation equipments)	Sq. m	50%	50%	Only for milk and meat processing enterprises
1.5	Animal shed floor and drainage improvement	No.	50%	50%	Maximum NRs. 20,000 only
2.	Machinery and Equipments (Spryer, Agri-tools, power tiller, generator, refrigerator,	No.	50%	50%	Financing is not available for small equipments such as

⁷ For eg: If total grant is NRs 1 million, then the grant will not exceed NRs 0.6 million for community irrigation infrastructure

	chilling vat, milk analyzer, milk processing equipments, Drip Irrigation set, chaff cutter, milk can, weighing machine and equipments, butchery equipments etc.)				sickle, spade etc.
3	Vehicle for Transportation	No.	40-60%	60-40%	<ul style="list-style-type: none"> • Only for W2 and W3 • 60% financing available for group & cooperatives and 40% financing available for private entrepreneurs
4	Source Seed and planting materials				
4.1	Source seeds (cereals, vegetables and grass)	K. G.	75%	25%	Only for seed production sub projects
4.2	Planting materials for nurseries	No.	75%	25%	Only for livestock feed improvement program in government rate
4.3	Breeding Buck, Bull and Buffalo	No.	50% of the total cost but in imported buck up to 80%	50% of the total cost but in imported buck only 20%	Breed of the animal should be certified from competent government authority
4.4	Artificial Insemination	dose	75% of the total cost	25% of the total cost	only in government rate
5.	Other Inputs				
5.1	Chemical Fertilizers	Kg	25% of the total cost for recommended dose	75% of the total cost for recommended dose	Only for seed production sub projects
5.2	Organic Pesticides	Liter/Kg	50%	50%	as per recommended dose
5.3	Gunny Sacks, Polythene Bag, Super grain bag, and Packaging Materials	KG	50% of the total cost	50% of the total cost	Only for seed producer farmers group and cooperatives
5.4					
6.	Land and Machinery Rent	NRs.	Not available	100% from GR	
7	Repair and Maintenance	NRs.	Not available	100% from GR	
8	Loan and any type of revolving fund for seed	NRs.	Not available	100% from GR	
9	Technical Assistance (eg: mechanical and Engineering services etc.)	Day	100%	%	NRs.1000/ day and not more than 30 days/ sub project
10	Labour	Day	not available	100%	
11	Seed Sample Test	No.	100%	0%	Required number of samples will be determined by technical professional during agreement

12	Institutional Development & governance				
12.1	Training (GR level)	No.	100%	0%	Maximum 2 trainings, NRs.10,000 for each training
12.2	Sub project Hoarding Board Display (Made from Tin and Iron pole)	No.	NRs 10,000 to prepare one hoarding board for each subproject		The size and template for hoarding Board will be provided by PMO
12.3	Public Hearing/Auditing	times	NRs. 5000 for each public hearing		Two public hearing for each sub project, 1 st at the beginning of project and 2 nd after completion of work.
12.4	Publicity of information regarding subprojects through local FM Radios	times	Maximum NRs. 10,000 for each subproject		At least 4 times @ 2500/publicity
12.5	Participation in Local Agriculture Fair	times	Maximum NRs. 10,000 for each sub project		The GR should participate at least one time in Agriculture Fair
12.6	Preparation of Completion Report	Times	Maximum NRs. 5000 for each sub project		
12.7	Courtesy activities on supported equipments and infrastructure	Times	Maximum NRs. 5000 for each sub project		
13	Transportation Cost		Maximum NRs. 20,000 for each subproject		Only for Farmers Group and Cooperatives
14	Vehicle facilities	No.	30%	70%	Max. cost up to NRs 3,000,000
14.1	Agro vets	Times	50%	50%	Up 150 CC motorbikes (Max. cost up to NRs 300,000)
14.2	Para vets	Times	50%	50%	Up to 150 CC motorbikes (Max. cost up to NRs 300,000)
15	Management & Remuneration for grant evaluation process				
15.1	Pre screening of sub projects	NRs	500/Proposal/per person		Expert shall get travel and daily allowance as per government rule. TDS shall be applicable on Remuneration.
15.2	Field Verification of sub projects	NRs.	1000/ sub project/per person	NA	Additionally for communication, stationeries and refreshments team shall be provided Rs 1500 for field verification of a proposed sub-project.
15.3	Peer review of proposals				
15.3.1	PCN Evaluation	NRs.	1000/proposal/per	NA	Expert shall get travel

			person		and daily allowance as per government rule. TDS shall be applicable on Remuneration.
15.3.2	FPP Less than Rs 1500000	Nrs	10000 /proposal/person		
15.3.3	FPP Nrs 1500000-2500,000	Nrs	5000/proposal/person		
15.3.4	FPP 25000000-5000000	Nrs	7500/proposal/person		
15.3.5	FPP More than Nrs 5000000	Nrs	10000/proposal/person		
16	Vehicle	Vehicle is managed by PMO (Office vehicle or hired one)			

Annex 6: Sub Project Monitoring Report Form
Government of Nepal
Ministry of Agricultural Development
Improved Seeds for Farmers' Programme (KUBK_ISFP)
SUB PROJECT MONITORING REPORT

Name of monitor/Reporter		Designation	Office		Date
Sub Project Brief					
Name of GR:					
Value Cain:					
Sub-project Code:					
Monitoring Indicators		Responses			
1. Activities to be accomplished during the reporting period as per Milestones					
2. Completed Activities as per Milestones					
3. Status of Work performance (by activity)					
4. Status of construction/civil work (Explain and attached Photo inAnnex)					
5. Target/Achievements					
Target	Seed (.....)	Milk (.....)	Meat (.....)	Other (.....)	Other (.....)
Area (ha)					
Quantity (kg/lit)					
Achievement	Seed (.....)	Milk (.....)	Meat (.....)	Other (.....)	Other (.....)
Area (ha)					
Quantity (kg/lit)					
Sales During Reporting	Seed (.....)	Milk (.....)	Meat (.....)	Other (.....)	Other (.....)
Quantity (Kg/lit)					
Value (NRs)					
Remarks				
6. Grant installment received (✓)		Claimed (NRs.)	Reimbursed(NRs.)		Difference
First <input type="checkbox"/> Second <input type="checkbox"/> Third <input type="checkbox"/> Fourth <input type="checkbox"/> Fifth <input type="checkbox"/> Sixth <input type="checkbox"/>					
7. When is the due for the next grant installment payment? (Ask the agreement copy from the GR or fill it before visiting sub-project)		Day:	Month:		Year
8. Is it timely or delayed with respect to the next grant disbursement?		Timely <input type="checkbox"/>	Delayed <input type="checkbox"/>		
<i>If delayed, provide reasons</i>		<ul style="list-style-type: none"> • Delay from KUBK-ISFP to release the last grant installment • Waiting KUBK-ISFP's response to its requests • Not receiving beneficiaries' contribution and participation as envisaged • Internal problem and conflicts within GR • Delay in the procurement of machineries and equipments • Any other specify..... 			
9. Is this GR in position to demand next installment? (select one)		Yes <input type="checkbox"/>	Most likely <input type="checkbox"/>	No <input type="checkbox"/>	

<p>If most likely, when it is likely to fulfill milestones, at the earliest, to demand next grant installment? (Please check the most appropriate, only one response)</p>	<ul style="list-style-type: none"> • In less than a week period • Within two weeks • Within a month • Between one to three months period • More than three month period 																																						
<p>If is response is "No" in question number 9, check the most appropriate reasons</p>	<ul style="list-style-type: none"> • Resource mobilization problem within GR (Beneficiaries' contribution) • Being substantial delay in procurement of machineries • Being substantial delay in physical infrastructure construction • GR is inactive and slow • Internal problem/conflicts within GR • Any other, please specify..... 																																						
<p>10. Does this Sub Project intend to construct any infrastructure</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>																																						
<p>If the response is "Yes" to above question 10, then give the details in the table</p>	<table border="1"> <thead> <tr> <th data-bbox="638 645 710 674">SN</th> <th data-bbox="710 645 885 674">Type/Name</th> <th data-bbox="885 645 949 674">No</th> <th colspan="2" data-bbox="949 645 1407 674">Current status</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td colspan="2"> </td></tr> <tr><td> </td><td> </td><td> </td><td colspan="2"> </td></tr> <tr><td> </td><td> </td><td> </td><td colspan="2"> </td></tr> <tr><td> </td><td> </td><td> </td><td colspan="2"> </td></tr> <tr><td> </td><td> </td><td> </td><td colspan="2"> </td></tr> </tbody> </table>				SN	Type/Name	No	Current status																															
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<p>11. Equipments and Transport Facilities Major Equipments and transport facilities which this GR has already procured or in the process to procure (List only those equipments with higher prices but not like buckets, crates, etc.)</p>	<table border="1"> <thead> <tr> <th data-bbox="638 840 710 869">SN</th> <th data-bbox="710 840 885 869">Equipment/facilities</th> <th data-bbox="885 840 949 869">No</th> <th data-bbox="949 840 1204 869">Status (Procured or in the process to procure)</th> <th data-bbox="1204 840 1407 869">Installed/not installed or not applicable</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>				SN	Equipment/facilities	No	Status (Procured or in the process to procure)	Installed/not installed or not applicable																														
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<p>12. Social inclusion and Environmental safeguards monitoring</p>	<table border="1"> <thead> <tr> <th data-bbox="638 1160 710 1189">SN</th> <th data-bbox="710 1160 1077 1189">Issues/topics</th> <th data-bbox="1077 1160 1407 1189">Status (Yes/No)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Women participation</td> <td> </td> </tr> <tr> <td>2</td> <td>Participation of ethnicity</td> <td> </td> </tr> <tr> <td>3</td> <td>Participation of Dalit</td> <td> </td> </tr> <tr> <td>4</td> <td>Participation Poor</td> <td> </td> </tr> <tr> <td>5</td> <td>Social Problem (if any).....</td> <td> </td> </tr> <tr> <td>6</td> <td>Environmental problem (if any).....</td> <td> </td> </tr> <tr> <td>7</td> <td>Other (specify).....</td> <td> </td> </tr> </tbody> </table>				SN	Issues/topics	Status (Yes/No)	1	Women participation		2	Participation of ethnicity		3	Participation of Dalit		4	Participation Poor		5	Social Problem (if any).....		6	Environmental problem (if any).....		7	Other (specify).....												
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7	Other (specify).....																																						
<p>Instructions to Sub-project</p>	<ul style="list-style-type: none"> • Expedite the sub-project activities in order that you could demand due grant installment as soon as possible • Submit request for the grant installment payment by fulfilling any remaining tasks within due date • Improve performance of the sub-projects and mobilize beneficiaries actively • Submit sub-project report timely to PIU/PMO • Improve surroundings and cleanliness in the sub-project site • Any other, specify..... 																																						

B. Monitoring Details

Monitoring Details	Response			
1. Name and positions of persons met (Sub project related)	SN	Name	Position	
			Chairperson	
			Sub-project manager	
			Accountant	
			Chairperson of procurement committee	
			Any other, Specify	
2. Name of the officials in the monitoring team	SN	Name	Position	Agency
3. When was this sub-project last monitored and by whom (optional) (Previous records if available)	SN	Name	Agency	Remark, if any
Advise/suggestions to KUBK-ISFP, if any				
(a)				
(b)				
(c)				
General Impression of the Monitor/Expert on sub project performance.....				
Note: Please provide recent photos of Field Visit (requirement) in Annex with caption				
Project Field Monitoring Log:				
Signature of the field monitor			Date:	
Form received by			Date:	

ANNEX-7: CHECK LIST FOR SUBMISSION OF PROPOSAL

1. Cover letter
2. Duly signed Application (PCN/FPP)-4 copy
3. A copy of Registration certificate
4. VAT/PAN Registration certificate (Except Farmers group)
5. Tax clearance document (if applicable)
6. Group minutes :
 - a. Decision for proposal submission
 - b. Authorized person for signing the contract (2 person)
7. Copy of Citizenship of authorized persons
8. Design and estimate (for construction work) from authorized personnel
9. Duly signed self declaration letter for implementing KUBK-ISFP grant supported sub project
10. Commitment letter for matching grant (e.g. Group Minutes, Letter of financial institution)