



Review of Commercial Pocket Approach Nepal: Potential for Taking to Scale

Prepared for //
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1. Introduction

This short paper is part of a study to establish if the commercial pocket approach (CPA) is a cost-effective intervention that may be replicated and supported further in Nepal. It draws from an initial proof of concept note which suggested that CPA has potential to be taken to scale and a market analysis paper. It provides a brief discussion on the challenges of scaling up development interventions and suggests a mixed approach combining both horizontal and vertical methods for taking CPA to scale in Nepal.

This paper aims to provide a conceptual framework as to how scale might be achieved as well as guidance and tools to help operationalise the process. However, a key finding is that the study team do not feel there is a standard 'blueprint' or scale out approach which will work everywhere; and that a locally driven 'diagnostic process', including an assessment of 'driving' and 'restraining' forces to achieving scale, is an essential prerequisite to CPA planning. A range of stakeholders will also be required, and this paper has been written for a mixed audience including national and local Nepali government officials, NGOs who may wish to assist in implementation and donors who may be considering investing in CPA initiatives.

2. Taking Social Change Interventions to Scale

Community-Led Total Sanitation (CLTS) is an example of an approach to social change which started in 2000 in a small village in Bangladesh and has now been scaled out in over 60 countries. From being implemented by a local NGO it is now supported by the World Bank, UNICEF and all major bilateral donors within the sector and forms a key element of government policy in over 40 countries.

A recent paper commissioned by DFID¹ though, outlines how many social change interventions fail to scale. Successful pilots or local demonstrations are often not replicated as models either: can't be adapted to local contexts; are not implemented with the same level of dedicated resource, knowledge or capability across multiple sites; or are just not robust enough to withstand broader levels of contextual complexity or multi-layered power structures.

Although there is limited evidence or research into achieving successful scale, the paper identifies some key elements and factors which seem to facilitate scale up.

- **A credible and evidenced 'model' or demonstration is required.** The model needs to combine core 'fixed' methodological elements and enough flexibility to allow for elements of adaptability to meet different contexts. It needs to be communicated clearly and address issues and contribute to outcomes which are valued and prioritised by a broad group of key stakeholders.
- **Strong and preferably inspirational leadership is key** and this needs to go beyond technical and managerial expertise to engage and excite 'cynics' as well as 'true believers'.
- **Successful scale needs a supportive political environment and capable implementing partners** with enough financial support to enable them to deliver and grow their capacity.

¹Carter B., Joshi, A., & Remme, M. (2018). Scaling up inclusive approaches for marginalised and vulnerable people. K4D Emerging Issues Report. Brighton, UK: Institute of Development Studies.

- To ensure inclusive outcomes, it is **essential to incorporate concrete guidance on addressing gender equality and social inclusion** into the scale-up frameworks and approaches.²

Different Approaches to Scale

Scale up can be achieved in several different ways. **The most commonly understood approach is replication or horizontal scale out.** This involves implementing a core approach or methodology which has been piloted or tested in multiple locations. The key challenge in this approach focuses both on the transferability of the pilot, so being sure the demonstrated effects can be successfully and consistently replicated on a large scale; balanced with enough flexibility in approach to allow for contextual adaptations. A major issue is that pilots are often developed in locations with the most conducive conditions and where local leadership and commitment is most strongly supportive. ‘Quick wins’ do help build momentum, but they may be more heavily resourced than is possible at scale. ‘Pure’ horizontal scale can also find economies of scale more difficult to achieve, as in essence it involves implementing a number of separate projects in different locations. It also requires significant capacity development to ensure there are a range of capable organisations able to implement the intervention across these locations.

A variation of a horizontal scale out approach is organisational scale up, where the original implementing organisation is supported to grow and expand its capability so it can implement across a wider area. There can be issues with this approach, as potentially it can lead to an NGO ‘over trading’, in essence growing too quickly and becoming reliant on one income stream, or not being able to adapt its own structure and culture to a bigger implementing model. It can also impact on a ‘locally driven/owned’ ethos as the expanding organisation may be seen to be stepping on the toes of smaller more localised NGOs.

Vertical scale up involves influencing political processes and stakeholders to take up and institutionalise the method leading to broader system change. This often involves a focus on creating enabling policy frameworks which legitimise the demonstrated approach and providing evidence for others to prioritise and commit resources to implement it. Vertical scale-up changes and expands the nature of the intervention and requires engagement with a broader stakeholder group. It may also stretch the capacities of the implementing organisations as it means a switch from focusing on ‘doing’ the intervention themselves to advocating for it, communicating evidence and supporting and facilitating others. Vertical scale-up is more ambitious and potentially a more efficient way of creating sustainable change; however, it is complex, requires different ‘tracking’ or monitoring frameworks than project level replication and may make the claims for attribution and/or contribution often required by implementing agencies/funders more problematic.

Functional scale up involves increasing the scope of an existing activity, programme or implementation platform. This ‘piggy-backing’ approach aims to incorporate the successful model within a broader intervention which is already working at a wider scale. This can be a cost-effective way of extending reach but relies on a clear and communicable level of synergy between the two approaches. The danger in functional scale up is that the broader programme is likely to be accommodating rather than prioritising the smaller model, and staff and programme managers need the knowledge, expertise, commitment and incentive to deliver it effectively; or space to enlarge their teams. It can also

² Rottach, E. 2013. Approach for Promoting and Measuring Gender Equality in the Scale Up of Family Planning and Maternal, Neonatal, and Child Health Programs. Washington, DC: Futures Group, Health Policy Project.

lead to the methodology losing its identity and ‘unique’ added value, which may in the end limit how widely it is taken up.

Issues to consider when developing an approach for going to scale

- What evidence there is suggests that **locally grounded, participatory and adaptive approaches** are most effectively scaled out. Top down ‘models’ which are driven by external experts find it hard to get traction and consistent engagement across multiple sites unless they are led and driven by national government.
- **Identifying and supporting ‘champions’** who can communicate the benefits and mechanics of the approach to **critical influencers** is imperative regardless of which approach to scale is taken. One form of evidence that this is happening is the emergence of ‘diffusion effects’ where replication happens organically, so communities or organisations take up or initiate the approach on their own based on what they have heard.
- **It is important that any strategy for scale takes a long-term approach which includes an appropriate and feasible funding model.** Short term funding often leads to small scale pilot replication or meeting short-term funder driven targets rather than setting the foundations for scale. A scale out model is likely to involve considerably more investment in capacity building and advocacy than for the initial pilot if replication is to be achieved across a range of contexts. Results are likely to take time, so any strategic choice needs to realistically balance speed, reach, cost, quality, equity and sustainability.
- **If taking a vertical approach, it will be important to track the degree to which there is an enabling environment for scale.** For some funders whose focus is on direct beneficiary level results this might be problematic. But vertical scale leads to more institutionalised and sustainable change, so it is important to **identify what ‘intermediate level changes’ are expected to assess what progress is being made** and that these are framed and monitored within a broader theory of change.
- **Given that vertical scale up focuses on system wide change, it requires the creation of a critical mass of stakeholders who support and help drive the change process.** Attribution of results can undermine this as it needs to be a shared group effort. A focus on understanding the contribution of different interventions and actors is more coherent with a system wide approach.
- **Analysing the driving and restraining forces for change.** This will help inform which strategic approach is most appropriate for achieving scale. For example, if there is limited evidence of a pilot achieving significant results and the area is not currently a government priority then vertical scale up is unlikely to work; similarly, if there are only limited organisations with an understanding of the method being used then horizontal scale out opportunities may be limited.
- **Integrating and sustaining a gender and inclusion focus.** A multi-pronged approach may be required to ensure that a) women and the marginalised access resources and are able to engage in the necessary decision-making processes and b) Government and service providers are motivated and convinced about scaling up the components which support inclusive outcomes.

3. An Indicative Strategy for Scaling up CPA in Nepal

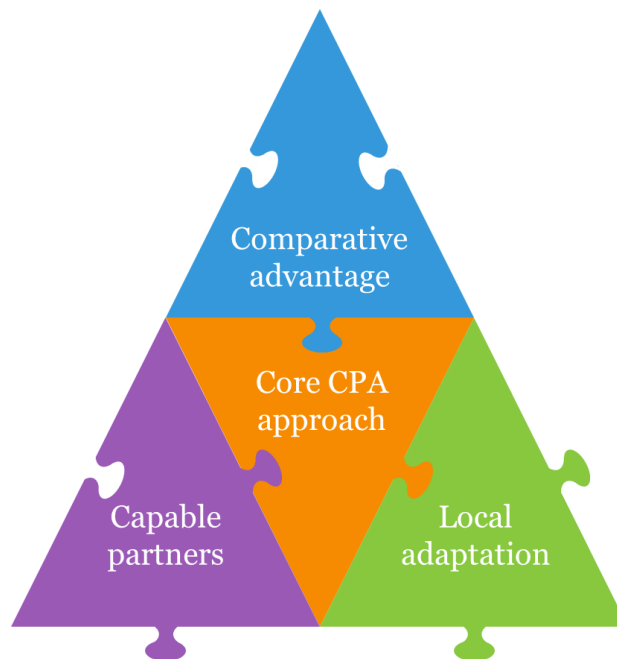
The positive findings of the proof of concept note suggest that a strategy for scaling up CPA in Nepal should be developed. **The team propose a mixed approach combining both horizontal and vertical scale up methods.** These approaches should run in parallel and inform and strengthen each other.

Approach to Horizontal Scale-Out

The horizontal or replication model for scaling out the CPA focuses on four key elements drawing from the analysis undertaken in the proof of concept note. These are: effective implementation of the 'core approach'; working with, and alongside, capable partners; adaptation of the approach to ensure it fits the local context (political economy as well as geography) and effective communication of CPAs comparative advantage.

These elements are explained in more depth in the section below. They need to be thought of systemically, (so co-dependent and interrelated) as shown in Figure 1.

Figure 1: Developing an Effective Adaptable Model for horizontal scale-out



Core CPA

At the centre of CPA is a common core approach which should form the foundation for going to scale. A fundamental element is a capable implementing agency who understands how CPA works, how it can be adapted in different circumstances and how it can be implemented so the vulnerable benefit equitably. As CPA develops and becomes institutionalised it is possible that government (and the private sector) may become more involved in implementing CPA, at present though it is expected that NGOs who can work or partner locally will be the primary implementers. A more likely shift is that more funding may come from government and potentially the private sector and not primarily from donor agencies.

The study team have only visited sites where iDE have been the implementing agency. For CPA to reach scale other organisations will also need to take the approach forward, however

it is important that there is a sufficient level of quality in delivering the fundamental elements of CPA.³

An implementing agency needs to:

- Be able to develop and manage effective arrangements with a network of on the ground implementing partners;
- Have a methodology for identifying and developing motivated farmer groups and use these as the foundation for setting up cohesive Marketing and Planning Committees (MPCs);
- Have an approach for identifying and building the capacity of Community Business Facilitators (CBFs);
- Understand and have the capability to facilitate access to climate resilient technologies, which add commercial value to agricultural output, either by increasing the quality of produce, improving the robustness of supply chains, or reducing unit prices is also important;
- Have the capability to combine the CPA methodology with approaches to improving access to water for irrigation. These should include Multiple Use water System (MUS) and/or pumping technologies to extract groundwater (including for example solar) depending on the terrain;
- Understand the dynamics and of women's empowerment in the context of CPA and how to work effectively with women and other marginalised groups such as Dalits, ethnic minorities, persons with disability. This requires diversity in staff composition and the ability to adapt the approach, increase resource levels and intervention tools so they are suitable for these groups.

They also need to understand and be able to support and facilitate the establishment of collection centres. The collection centre is the base that brings together and supports the efforts of the MPC, farmer groups and CBFs, provides them with access to market, additional technical services such as cropping calendars and the bargaining benefit of higher collective levels of supply. The collection centre needs to be situated in a suitable location, accessible to farmer groups, including women and the more marginalised farmers, and in reach of markets, but not too close so it becomes more advantageous for farmers to go directly themselves. The physical structure is important as it provides a central and safe meeting point (especially for women) as well as providing storage for produce. It needs to be appropriately staffed, including at least one person responsible for managing the physical structure and for recording transactions. Effective governance of the MPC is also essential to ensure professional management and oversight of day to day running of the collection centre and collective decision making in a fair and transparent manner.

The collection centre is a hub to drive and support additional social cohesion, so it needs to be institutionalised and supported within the local context. This means that implementing agencies need to ensure it has the requisite networks and relationships with local government, civil society and the private sector. A replicable institutionalised model for scale requires an understanding of how collection centres can strengthen and evolve so they generate investment, build capacity of women and the marginalised to manage and move towards becoming cooperatives.

³ This does not mean all implementing agencies need to be good at everything – the study team are sure that iDE would also recognise there are areas in which they are stronger, and some contexts are likely to make some aspects more challenging. Minimum levels of understanding and capacity though will be required.

Comparative Advantage

It is important that the value and comparative advantage of the CPA can be clearly articulated and the improvements and benefits it contributes to aligned to outcomes that are important to all stakeholders whose engagement is required. Benefits will not be the same for all so an assessment of likely gains for different groups and any unintended positive or negative consequences is required in preparing for scale. This will also assist in devising strategies to mitigate barriers and strengthen opportunities.

Farmers need a clear and realistic sense of how the CPA may improve their income levels considering the additional effort and investment in time they are going to need to make. The benefits from CPA will vary based on which services farmers value and may differ for women farmers and farmers from marginalised social groups. iDE has developed some simple business plan templates which provide an overview of the capital investment required for different vegetables, an estimate of likely returns over time and cash flow forecasts over three years⁴. These will need to be validated and refined based on local market conditions, farmer capability and economic circumstances.

Investment is required – either from development partners, government or the private sector – so it needs to be clear what ‘returns’ the CPA can bring and in what type of time frame. These returns also need to be relevant to the needs of the specific ‘investor’. Anukulan has been funded by DFID through the BRACED programme which focuses on climate change adaptation, so the focus of results has been around ‘resilience’ and assessing farmer livelihoods (income levels), plus women’s empowerment as an illustration of increased resilience.

At present the study team feel what is missing is a greater understanding of the systemic benefits that the CPA helps catalyse – it is setting up institutional change by stimulating a market which can be sustained through public/private partnership. Developing a theory of change with a set of results that tracks interim outcomes such as: changes in local leadership, commitment and capacity, market expansion, changes in expenditure levels, or leverage of public and private funds could illustrate the full benefits of investment and reduce the reliance on aggregated household income figures which are both difficult to collect⁵ and don’t illustrate the broader impact of CPA. Collecting data on women’s empowerment is a positive approach though (as mentioned in the proof of concept study) the methodology for doing this might need to be reviewed.

For private sector actors the dynamic is perhaps simpler in that what is required is a sense of the likely financial return – both short and long term - for investing in the programme. iDE have developed simple business plan templates for suppliers which show levels of likely investment, return and cash flow projections over time. Larger agro vets and MFIs will need to develop their own business plans based on available capital, their appetite for risk and the range of possible products and services they feel they can provide.

Having clear communication products and processes which illustrate and present the opportunities CPA provides will help both ‘sell’ and explain the approach but also help develop it further as stakeholders will look to improve on projected returns, reduce costs and innovate to create further competitive advantage.

⁴ The study team haven’t validated the estimations or cash flow projections though have no reason to think they are inaccurate.

⁵ Methodologically these rely on self-reported surveys, where accuracy of estimate can be challenging, for example because of inclusion of remittances, formal and informal sources and variations in household size

Capable Partners

The CPA is currently implemented by local NGOs working at field level. If CPA is to go to scale new implementing agencies are going to be needed. At present, implementation is still likely to be done predominantly by NGOs, though this might change in the future with government agencies having a greater role. The required skills and capacities of implementing agencies need to be understood and assessed prior to contacting them. There are a number of NGO assessment tools that can be used to assess capability⁶. To implement CPA, capabilities will need to be both organisational (good governance, management systems and processes – including policy and M&E frameworks - financial management and human resources) and technical (agricultural expertise, training and facilitation skills, networking and access to new technologies and innovation). A diverse resource team with the skills required for successful scale-up with GESI will also be needed.

In successful CPA locations a key component was local government support and engagement. An analysis of government stakeholders would enable an assessment of the likely appetite for engagement as well as the capacities of frontline government officers and any agriculture knowledge centre for example to provide technical and learning support. Similarly, engaging with Municipal and Ward political actors to assess the legal, institutional and financial support they may provide will be key to developing a ‘critical mass’ of system wide support. This is especially important as in the new federal structure devolves responsibilities for economic development to local government and allows them to contract directly with local NGOs to deliver services.

The CPA requires an active and effective private sector, so agrovets and input suppliers with marketing skills need to be present and motivated to develop their business as should financial institutions. The recent directive from the Finance Ministry and Nepal Rastra Bank to ensure all small towns have banks present⁷ should assist this. To ensure there is a balance and the CPA benefits the community as well as the ‘commercial’ actors, identifying civil society actors and user groups who understand and can advocate for its benefits should support engagement, particularly among potential cynics who may see the CPA as a donor driven initiative.

Local Adaptation

The CPA should not be seen as a single ‘off the shelf’ solution as local conditions impact on how it needs to be implemented. Although there is a core methodology with components which are *required* to enable CPA to function, how and in what order they are implemented will be different. Undertaking a localised planning process is important both to assess the local context but also to generate an understanding of and commitment to the CPA and its systemic benefits.

Field visits showed how CPA can be enhanced or undermined by local conditions or variables, many of which are beyond the control of implementing agencies. Some conditions may be both enabling or disabling in different contexts. For example, the accessibility and reliability of road networks may encourage farmers to buy into the CPA where they currently experience poor access, disruption or instability; alternatively, they may be less inclined where the roads are of sufficient quality as farmers can access markets directly with little disruption.

⁶ e.g. Charles Lusthaus, Marie-Hélène Adrien, Gary Anderson, Fred Carden and George Plinio Montalván (2002) ‘Organizational Assessment: A framework for improving performance’. Inter-American Development Bank

⁷ Nepal Rastra Bank is the Central Bank. There are currently banks in 725 out of the 753 areas as reported by the Hindustan Times June 6th, 2018

Nepal hosts a wide range of terrain types, physical environments and market conditions. Within a single place, these conditions are rarely constant; e.g. variable climate, extreme weather events, market volatility over time. Therefore, in addition to the need for CPA to be implemented flexibly based on local conditions, it also needs to adapt to potential changes in these conditions and so be able to evolve. Identifying these conditions and what influence they are likely to have is important both in selecting and planning to implement CPA in any particular site. This is also relevant when thinking about attribution of results and defining relative contributions across different locations, ensuring successes and key learnings can be attributed to implementation rather than external factors.

To assist the process of targeting areas for CPA horizontal scale out the study team have selected a set of *local conditions* that are considered key enablers of CPA implementation. The initial hypothesis was formulated based on observations and discussions from the initial field visits⁸:

- **Presence of a highway** facilitates greatly improved accessibility and logistics. Often a key enabler for investment and services. Improves implementation logistics.
- **Relatively good coverage of secondary and tertiary roads:** indicative of accessibility and connectivity between groups outside the key arteries. More conducive environment for establishing CCs and better chance of improved market access.
- **Relatively well populated** with good population distribution in agricultural areas. This impacts on the value and sustainability of implementing in that area relative to the prospective CPA and consumer group. Agricultural population needs to be large enough for CPA to be viable.
- **Low to medium remoteness:** CPA struggles where communities are more remote. Little cost/benefit beyond a certain point as accessibility undermines added benefits.
- **Good district coverage of agriculture** with relatively distinct clusters: agriculture is a prominent industry locally and agricultural communities are not physically separated. In theory there are fewer ‘physical’ barriers to implementation.
- **Agricultural pockets serviced by good roads:** Roads not only exist but they service areas most relevant to CPA - linking farmers and Collection Centres.
- **Relatively low poverty incidence:** CPA works best where communities are poor, but not ‘ultra-poor’. This can be associated with land rights, capital to invest in improved farming practices, willingness and appetite to diversify etc.

An appropriate method for exploring the above conditions is through investigation of existing spatial data, using Geographic Information Systems (GIS). Spatial data is produced and managed by many organisations and government institutions in Nepal and provides a useful source of information for sighting planned activities and investments.

While these datasets are useful individually, it is usually the convergence or coexistence of different conditions which provides opportunities or barriers for implementation. Where multiple individual conditions are relatively defined, a spatial analysis exercise can be undertaken by overlaying different datasets to calibrate where the most suitable locations may be discovered, i.e. based on where conditions coincide to create – in theory – an ‘optimum’ enabling environment.

⁸ Specifically, the field team observed the CPA approach worked well in Kaski and Syangja, these examples informed the creation of the initial model.

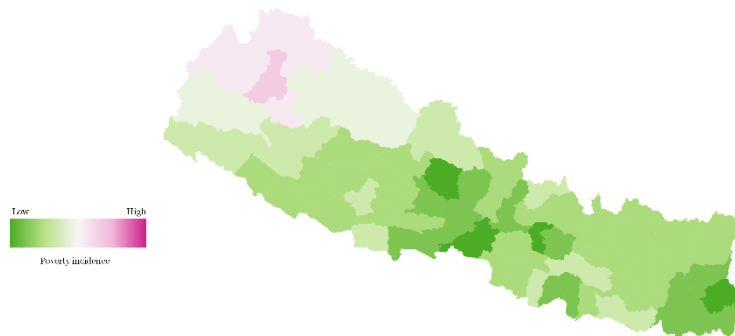
This exercise uses a series of individual datasets which are representative of the key influencing conditions for CPA, as seen by field teams. These have been overlaid to produce an analytical surface (Map 1) and interpreted into three classification areas; Priority 1, Priority 2 and Null (not priority). This was determined by investigating conditions at district level and interpreting the prevalence of each condition against a matrix. The decision on how to classify districts was based on how many conditions were met and also to what extent they were met relative to other areas. Examples of the individual spatial datasets included are shown below.

Figure 2: Example datasets

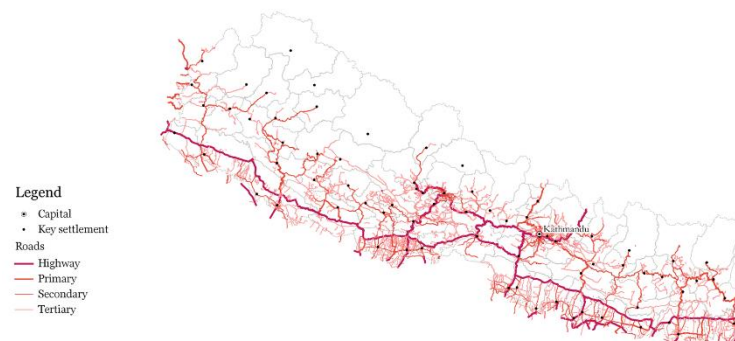
Population Density⁹



Poverty Incidence¹⁰



Road infrastructure¹¹



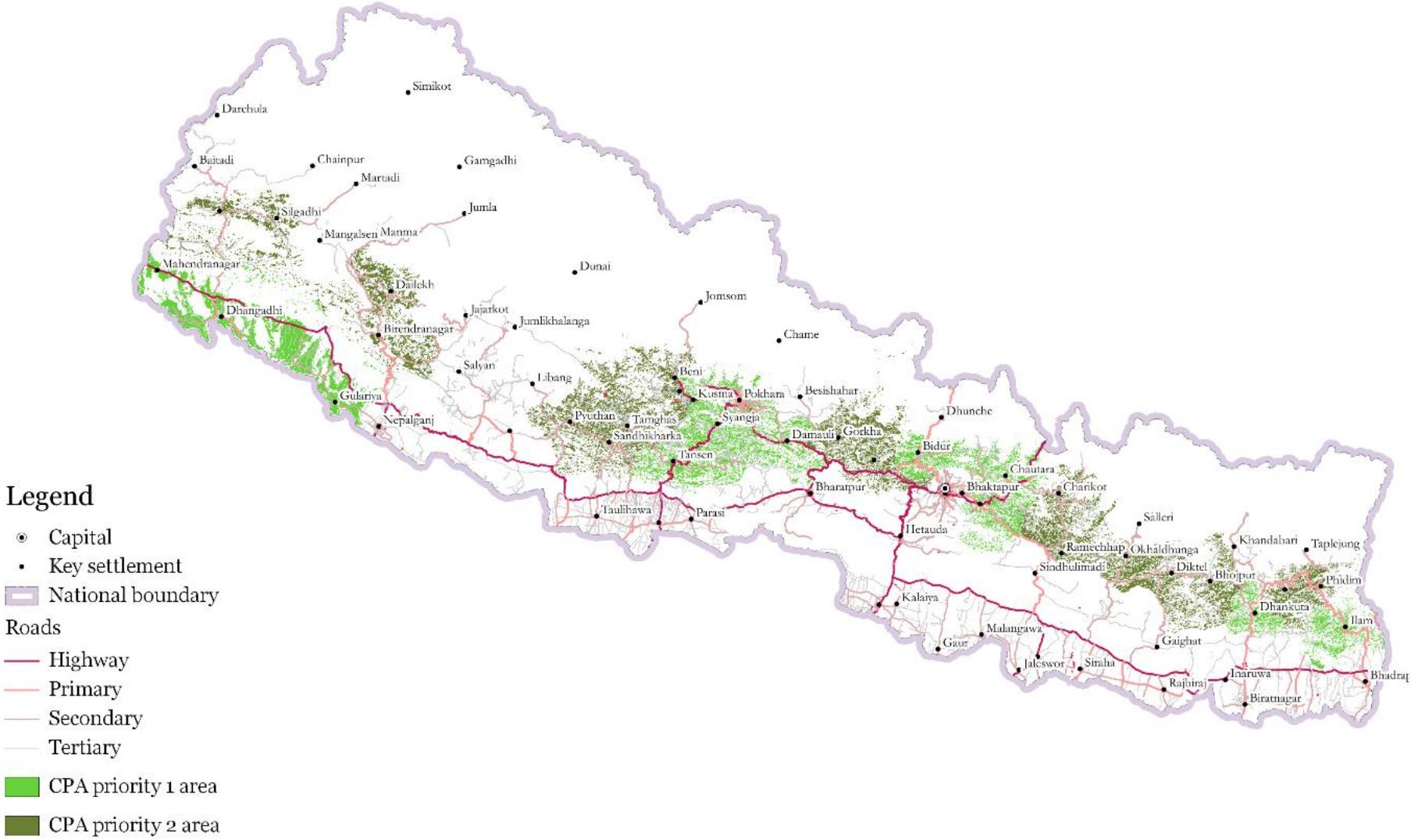
Map 1 below displays the output analytical surface which highlights the priority areas for CPA across Nepal. This constitutes a good starting point for implementation. It is essential any sighting process compliments this kind of data investigation with other evidence due to

⁹ Source: World Pop
¹⁰ Source: Open Nepal
¹¹ Source: OSM, NGIID

the wide range of influencing dynamics discussed elsewhere in this report. For example, the terai is identified here as priority 1; yet the influence of imports from India was also shown to seriously influence the approach taken to CPA implementation in these areas. The other key 'physical' influence was the location of collection centres which may be determined by where land is made available for their construction, rather than any ideal conditions. The recent SAMARTH evaluation also confirmed the key importance of this as a physical determinant. Annex 1 includes an attempt to map the location of the iDE collection centres in the six districts visited and includes where the study team visited¹². If conditions can be comprehensively mapped and are well understood, the analysis process can be further enhanced and modelled in GIS to produce a decision-making tool. For CPA this would be challenging since the conditions are many and are also not consistent in their influence.

¹² The data set on collection centre location varied in terms of geographical precision. It may be helpful for local teams to review these maps

Map 1 – A view on the physical considerations for scale out



The cost benefit analysis in the proof of concept suggests that although some physical conditions might make CPA scale out more favourable, in essence the approach can create value and increase income¹³ in most settings. This does not mean the approach will work everywhere, just that analysis will need to be more bespoke and nuanced.

A key conclusion from the market analysis is that though there are national patterns a local assessment is needed to identify suitable crops and to assess price sensitivity and levels of diversity among farmers. Local intervention plans are required to predict income and cost streams to help assess cash flow requirements. iDE have created 'business plan' templates which illustrate the likely investment costs, and levels of profit for different vegetables through a season. These costs and profits vary, with farmers' first year set up costs seen to range from 4,000 NPR to 29,000 NPR depending on vegetables grown and technologies used. Based on the market assessment, profit margins seem relatively consistent across different CPA interventions, with margins of between 48% and 52% being achievable for key product types (e.g. cabbage tomato and cauliflower). Private sector providers were seen to need at least an initial 35,000 NPR investment to support farmers with seeds, tools and pesticides for example.

Similarly, it will be important to assess the level of additional investment required and where it might come from as funding from actors such as local government may supplement or replace donor funding. Anukulan investment into the CPA and other interventions was just over £4.8 million reaching 102,210 households. Although some elements of this funding may not need to be replicated as the CPA is now more established, significant levels are likely to be required in 'new start-up' locations.

Initial set up cost quotes are difficult to distinguish from current data. Overall project costs are not based on disaggregated figures and provide proxy figures for district level spending based on a percentage split of the overall budget.

Local experts estimate collection centres cost approximately RS3,500,00 (~£25,500) to build. Support and specific maintenance costs would differ from place to place. For the 'full package', the implementation cost for replication of a single collection centre and its associated components can be estimated from the Anukulan total budget, in line with the district percentage of budget spend and the number of collection centres established per district. These cost estimates (£) for a single collection centre in each district can be seen in table 1.¹⁴

Table 1: Cost estimates for establishing CPA per Collection Centre (in £)

DISTRICT	Core (CPA, CBF, MUS)	Core with LAPA	Core with Nutrition	Core with LAPA and Nutrition
Dadeldhura	33,620	46,753	38,979	52,112
Doti	43,913	61,067	50,913	68,067
Surkhet	34,365	47,789	39,843	53,267
Bardiya	45,880	63,802	53,193	71,115
Kailali	50,852	70,717	58,959	78,823
Kanchumpur	55,575	77,285	64,435	86,144

¹³ The cost benefit analysis suggests that to a 95% confidence level household incomes are likely to increase from between 25% - 55% across all districts where CPA was implemented

¹⁴ These figures are estimates based on a 3-year establishment period

Figure 3: Estimate of costs based on terrain

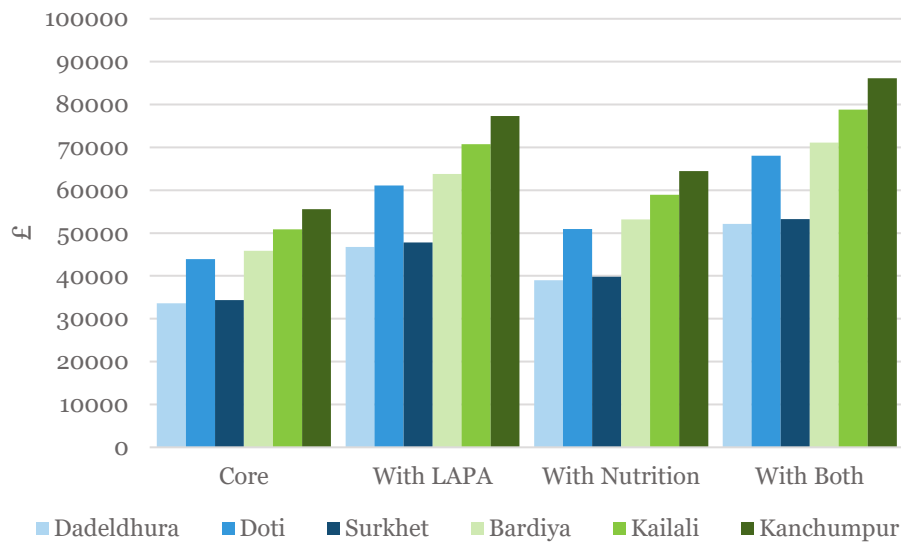


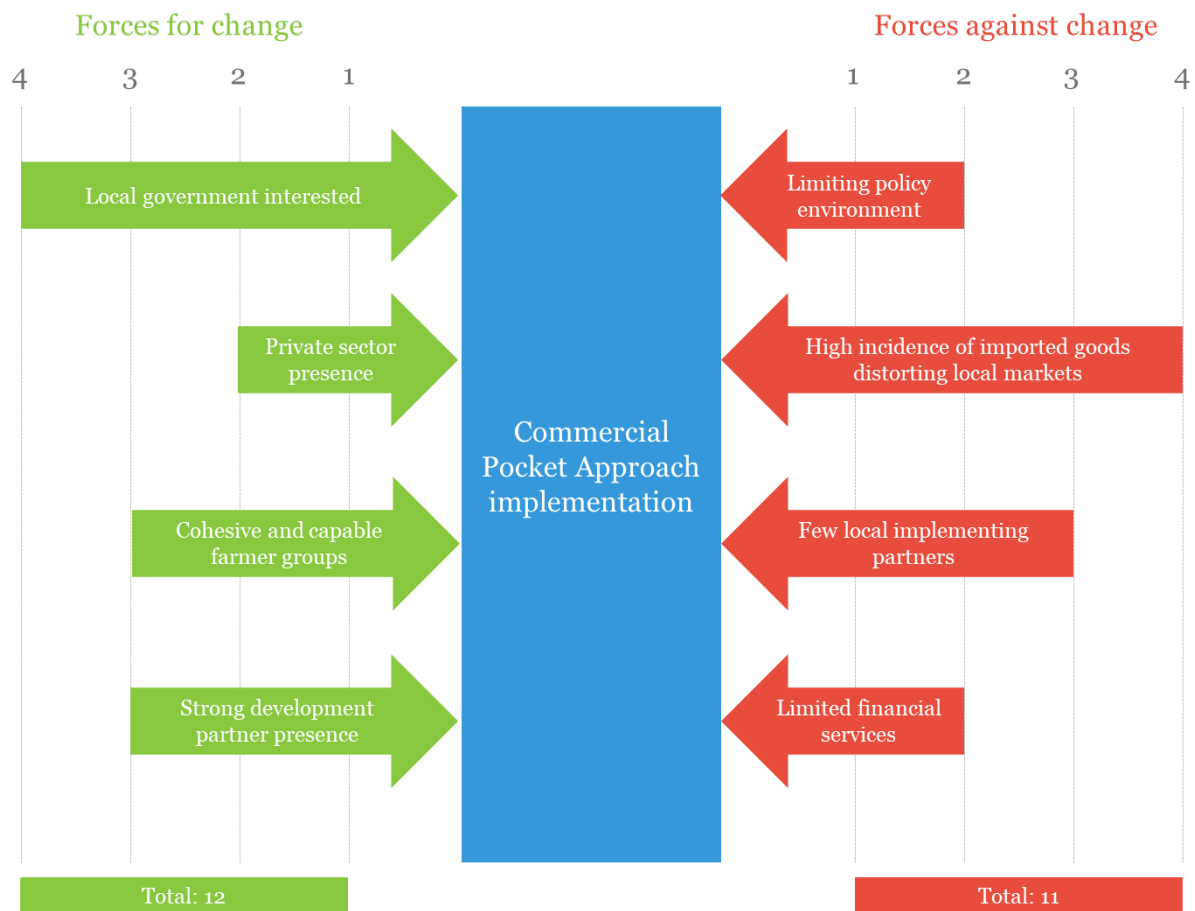
Figure 3 depicts the cost estimates drawn from the overall budget cost. There is a clear indication that establishing the approach in the Terai districts (blue) is cheaper than implementing in the hill districts (green). This is likely to be associated with accessibility and logistics, but could be worth investigating further.

The team suggest using a simple ‘force field’ analysis tool to undertake a local assessment. This tool aims to assess and quantify those factors which will help drive the effective implementation of the CPA and need to be supported and built upon; and those areas where there might be resistance or restraining forces which need to be addressed for successful scale out. To use this planning tool a core group of key stakeholders (e.g. government officials, possible funding/investment partners, implementing agencies, CSOs) will need to identify all the driving and resisting forces, weight them in terms of level of importance to decide whether the location has a good chance of successful implementation and then use this analysis to guide the development of a localised action plan.

Figure 4 below provides an example of what an initial assessment might look like. It is illustrative and not expected to be comprehensive but should show how forces can be mapped out and then prioritised in any planning process.

At a local level it will be the rural municipalities that are the key actors for taking the CPA forward and who should look to put together the annual plan and budget which outlines support. Other organisations such as the provincial Agriculture Ministry and district Agricultural Knowledge Centre should also provide technical support and help shape an enabling policy environment to support CPA implementation. Local NGOs are likely to assist in implementation, play key facilitation roles and also acts a bridge between the private sector actors (agro vets, financial institutions and CBFs) and farmer groups.

Figure 4: Force Field Analysis: an illustrative local example



As mentioned in the section on the core approach, it is likely that different farmer groups, MPCs and CBFs may require a varied set of capacity building inputs and support. This might impact on how a programme of support is constructed and the ‘cost-benefit’ returns. For example, the team’s visits to Dalit communities suggests that developing their skills and confidence in their own ability to drive a CPA will require an adapted approach and more resources, particularly at the start of any initiative¹⁵. It is important to recognise however that from an equity perspective; a 5000 NPR increase in household income for a community where change is more challenging may be far more significant than an increase of 25000 NPR in an area where motivation and capacity levels are higher. This will also contribute to the commitments of national and international governments to the SDGs and other human rights focused instruments.

Approach to Vertical Scale up

Initiatives like the CPA have demonstrated success, however scale-up efforts haven’t usually accounted for the complex realities that govern policy making. It is becoming increasingly evident that expanding an intervention pathway to scale is an intricate, non-linear, socio-cognitive process where institutions, knowledge, markets and the regional and local

¹⁵ The team do not have a data set which allows us to reliably calculate how much more resources are required to work with Dalit or marginalised communities

environment¹⁶ decide the course of the extent, nature and direction of any scale up that is desired or planned.

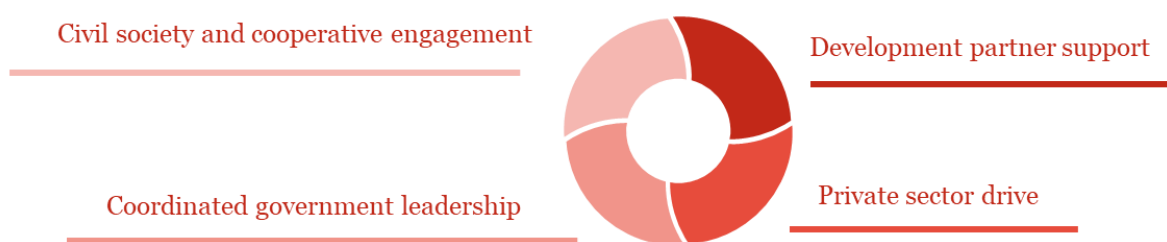
Vertical scale up involves a different dynamic to replication and involves a more indirect approach. Activities are far more focused on influencing others and facilitating rather than ‘doing’ or managing. This is often a significant shift for all stakeholders.

For NGOs who are used to working ‘on the ground’ it requires different skills and a different set of measures of success, even though most NGOs are often heavily involved in influencing key stakeholders either through formal or informal mechanisms¹⁷. For government officials and donors one challenge is that often this type of influencing or facilitating activity isn’t ‘counted’ or mapped into performance frameworks, or job descriptions as it doesn’t relate to direct outputs. Government officials and departments often need to have broader management approaches and have the capability to procure and oversee rather than direct. It can require a broader more advisory and less technical skill set and requires a broader competency set.

A key element of vertical scale up will be to both legitimise and effectively target these interventions. So, what type of changes are you looking to influence? How will you assess whether change is happening? and how do you ‘design’ and target your activities so they are effective and ‘dovetail’ with the activities of others. It can also be problematic for development funders as the causal chain between their investment and outcome results is longer and often less direct. However, if funders want to really catalyse large scale change then funding activities that influence and facilitate broader change is likely to enhance and deepen the sustainability of results gained from project funding.

Figure 5 outlines the elements of the enabling environment that the team have identified as being supportive of and institutionalising ‘vertical’ change at federal, provincial and local level.

Figure 5: Facilitating an enabling environment at Federal, Provincial and Local Level for vertical scale-up



Coordinated Government Leadership

As with many interventions the CPA cuts across the mandates of a number of different Ministries and government bodies. The Ministries of: Agricultural and Livestock Development, Forests and Environment, Land and Cooperatives, Water Resources and energy, Finance and Planning, Home Affairs and the National Planning Commission all have an interest in and/or can support the CPA.

¹⁶ Wigboldus, S., Klerkx, L., Leeuwis, C., Schut, M., Muilerman, S. and Jochemsen, H. (2016) ‘Systemic perspectives on scaling agricultural innovations. A review’. *Agronomy for Sustainable Development* 36(3): 1–20.

¹⁷ The study team heard different views as to iDE’s effectiveness in this area. Local stakeholders and interviewees felt that iDE were stronger at communicating to Donors and weaker at communicating with Government. External stakeholders though felt they were weaker talking to donors and stronger with government.

To create a coordinated approach, it will be important to try and bring these bodies together and to develop if possible, coordinated policies and regulatory frameworks which support the scale up of the CPA. Additionally, to ensure that the voices of women and the marginalised are given space within such coordination mechanisms, it will be important to include Ministries of Women (MWCSC) and Federal Affairs (MOFAGA) and also representatives from civil society federations (e.g. NGO Federation, Federation of the Disabled).

The Ministry of Agricultural and Livestock Development prepared the Agriculture Development Strategy (ADS) in 2014 which outlines a 10-year Action Plan and a strategic roadmap based on the assessment of the current and recent performance of the agriculture sector. Given this the study team recommend that they are seen as the lead ministry to take the CPA forward.

The ADS (2014) has the following vision, “A self-reliant, sustainable, competitive, and inclusive agricultural sector that drives economic growth and contributes to improved livelihoods and food and nutrition security”.¹⁸ The 14th Plan of Nepal¹⁹ has a broad spectrum of agriculture and rural development objectives – irrigation and water-use, livestock, Forestry, agribusiness, credit and institutions alongside relevant rural development themes of GESI issues, roads and energy.

The principal challenge identified is enhancing the competitiveness of the agriculture sector. This is amidst issues of climate change, food security, out-migration of youth and decentralization of governance.

Quite broadly the current needs²⁰ for the Nepal Agriculture Sector can be expressed as follows:

- Increasing production and productivity of agricultural crops
- Commercialization of agriculture
- Development of market hubs and link to farmers
- Land management policies, techniques for conserving agricultural land
- Promotion of and building of value chain of high value crops
- Reducing trade deficit in agriculture products.

The CPA addresses most of these issues and promises to address them if taken to scale with an adaptation to the varying contexts across the topographically, culturally and economically diverse Nepal.

The recently formulated constitution ensures access to land for agricultural activities for each citizen. More specifically, Article 36 of the constitution ensures each citizen has the right to be safe and secure from the scarcity of food; Article 42(4) clearly spells out that every farmer has the right to access land for agricultural activities, select and protect local seeds and agro-species which have been cultivated traditionally, in accordance with the law.

Other special provisions for agriculture and land management²¹ which support or align with the CPA include scientific land reform policies, terminating dual ownership across existing land; discouraging inactive land ownership through land-pooling; increased

¹⁸ <http://www.nnfsp.gov.np/PublicationFiles/bf53fo40-32cb-4407-a611-d891935d2e97.pdf>

¹⁹ https://nepalindata.com/media/resources/bulkuploaded/14th-plan-full-document_eng_july17.pdf

²⁰ Global Sustainable Research and Development Center Pvt. Ltd. (2018). Operation of Community Agriculture Extension Service Center and its Management. [online] Kathmandu. Available at: http://www.doanepal.gov.np/downloadfile/Final_report_CAESC_1548834557.pdf [Accessed 2 Jul. 2019].

²¹ Global Sustainable Research and Development Center Pvt. Ltd. (2018). Operation of Community Agriculture Extension Service Center and its Management. [online] Kathmandu. Available at: http://www.doanepal.gov.np/downloadfile/Final_report_CAESC_1548834557.pdf [Accessed 2 Jul. 2019].

commercialization, modernization, mechanization and diversification in agriculture; and regulations focused on agro-products at a fair-market price and facilitating fair access to markets.

Taking CPA to scale will directly acknowledge the obstacles that are acknowledged in policy frameworks to be hindering the growth and sustainability of the agriculture sector and limiting 'last mile' services to smallholder farmers. Other key policy frameworks relevant to the vertical scale up of CPA include:

- The **Nepalgunj Climate Declaration** signed on World Environment Day (5th June 2019) in the presence of the President of Nepal, Ministry of Forest and Environment has 17 points that should determine the resilience building of communities across the country. Declaration no. 5 explicitly mentions the formation of pockets across the country recognising their agricultural values and consolidating them with a clear framework that assists in building resilience in the face of climate change.
- The **Prime Minister's Agriculture Modernization Project** stresses that the development of the agriculture sector remains significantly important for Nepal's overall national economy. Under the project, the government has classified the agriculture production sector into pockets, blocks, zones and super zones.²² Through this clear and specific roadmap, the government intends to increase agriculture production and productivity to make the country self-reliant in agriculture production and livestock within a decade.

The One District One Product²³ (ODOP), facilitated by the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is a Public Private Partnership where the Ministry of Agriculture and Livestock Development is a key partner. and the CPA would fit well within the broader spectrum of the ODOP. Scale up could involve supporting regional plans within Nepal where certain districts focus on a specific crop or a group of crops which would allow for a stable market resulting in more consistent and stable pricing. Aligning to such a framework could assist in strategically maneuvering the produce from districts and allowing them access to markets while competing with prices of imports from India.

Adaptation to climate change in the agriculture arena is a key challenge recognized by policy makers as the majority of the population remains dependent on highly climate sensitive agriculture.²⁴ The Government of Nepal (GoN) has realized the need for a planned approach to address climatic change and the resultant variability in agriculture and relevant sectors across the country. They have developed a National Adaptation Programme of Action (NAPA), enacted a national Climate Change Policy in 2011 and additionally implemented Local versions of the NAPA (i.e. LAPA). Most policies in the country related to climate change adaptation, agriculture development and food security focus primarily on the implementation of efficient and effective agricultural practices and technologies, livelihood diversification and much-needed capacity building processes at all levels.²⁵ ²⁶ The ADS has clearly spelled out targeting the capacity strengthening of agriculture extension ('last mile')

²² <http://therisingnepal.org.np/news/16070>

²³ <http://www.aec-fncci.org/wp-content/uploads/2015/01/ODOP-Details.pdf>

²⁴ Paudel, B., Khanal, R., KC, A., Bhatta, K. and Chaudary, P. (2017). Climate-smart agriculture in Nepal. Policy Brief. [online] Kathmandu: LI-BIRD, CGIAR, CCAFS and Research Program on Climate Change, Agriculture and Food Security. Available at: <https://cdkn.org/wp-content/uploads/2017/06/Nepal-agriculture-synthesis-final444.pdf> [Accessed 3 Jul. 2019].

²⁵ MoE (2011) Climate change policy. Kathmandu: Ministry of Environment

²⁶ MoAD (2015) Agricultural Development Strategy of Nepal. Kathmandu: Ministry of Agricultural Development.

public and private staff and the farmers themselves on technologies and practices for improved resilience to climate change variability and uncertainty.

A key policy actor is the National Planning Commission (NPC) of Nepal. It has recently highlighted the quality of the agriculture produce as important²⁷ as consumers increasing become conscious of what they buy and where they buy from. Quality awareness, alongside adoption of technology for quality production and standard storage centers, needs to increase to boost agricultural production and its marketing. There is significant work required to prioritize and establish a systematic and coherent market information mechanism. CPA has clearly made strides in this domain and taking it to scale can support and help push other initiatives in this area. NPC also has highlighted that addressing competition with India is a key step towards sustainably increasing income of farmers across the country, however, this will require careful cooperation across the provinces and the districts. Vertical level coordination and organization could help coordinate horizontal scale up and influence crop choices so certain products are grown in areas which can grow them best or most cheaply.

There is limited evidence of policy intentions being translated in a meaningful manner into annual plans, actions or budgets. Cross government coherence across different government departments and levels is challenging, though the CPA clear addresses a number of different relevant agendas and ministry priorities.

Vertical scale up is further complicated in Nepal by the federalisation process which places more responsibilities at a provincial level and allows for variations in policy and regulatory frameworks and budget at a local level. Annex 2 provides a brief overview of the current status, but federalisation is not at present operationally 'complete' and will to continue to evolve.

The study team recommend that a joint body (such as a Steering Committee) is advocated for to be led by the Department of Agriculture within the Ministry of Agricultural and Livestock Development with clear roles and responsibilities for each ministry related to their contribution to taking CPA to scale. The Director General of the Department of Agriculture should have a major role in developing the broad framework working in consultation with and guidance from the Secretary of the Ministry.

Gaining coherence among different ministries will of course be challenging given these organisations will have a range of priorities and there will, at a minimum, be 'tacit competition' between them for resources and influence. Engaging with the most senior officials first is likely to assist operational coordination at lower levels. Figure 6 provides identifies stakeholders at federal, provincial and local federal levels. This can be further refined in any planning process.

²⁷https://www.npc.gov.np/images/category/Enhancing_the_competitive_strength_of_the_nepalese_agricultural_produces1.pdf

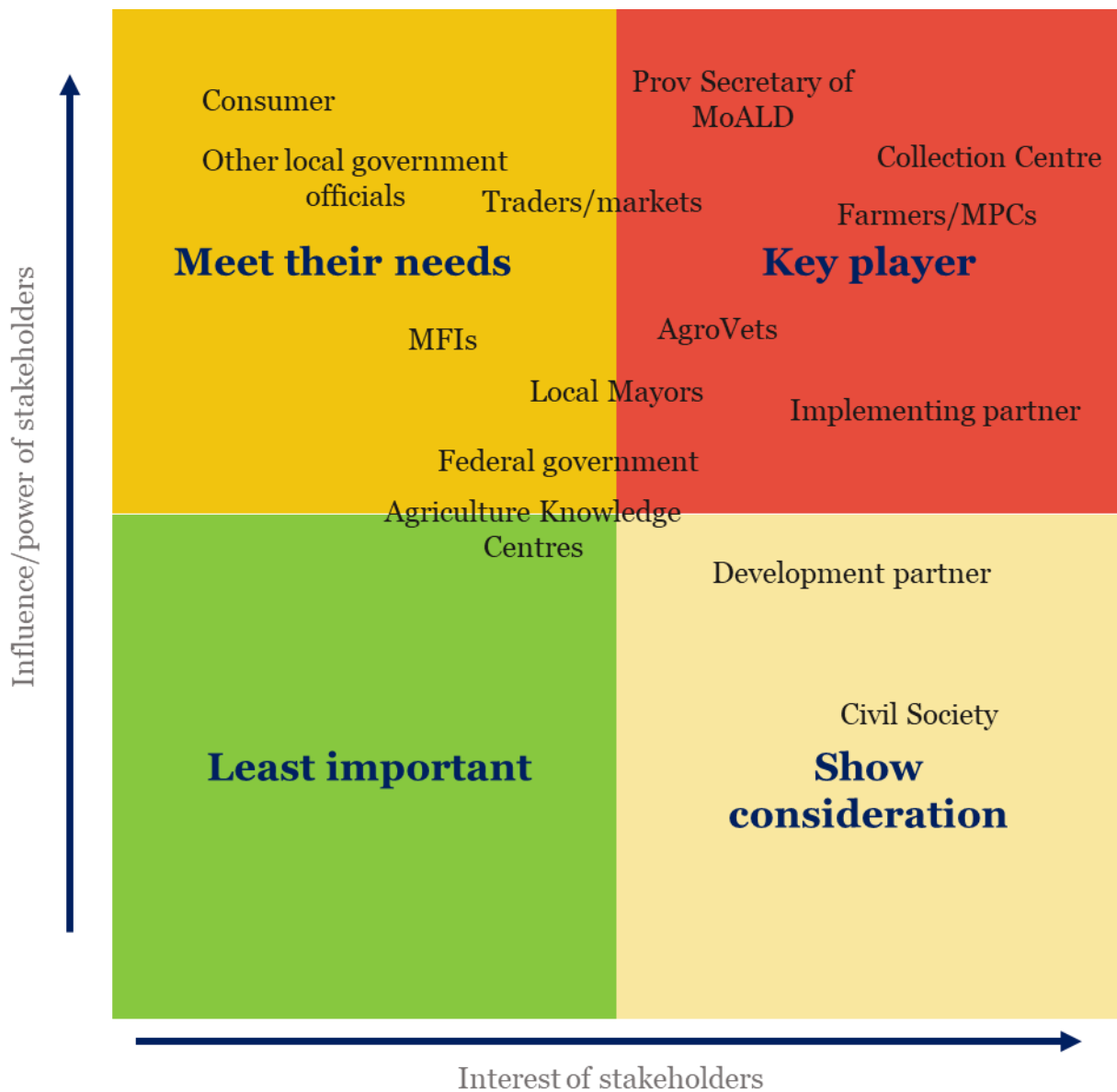
Figure 6: Stakeholders at different governance levels

Level of governance	Key stakeholders	Roles
Federal [Central]		
	Ministry of Agricultural and Livestock Development	Lead for development of enabling of CPA enabling environment
	Ministry of Forests and Environment	Development of coherent plans, policies and regulations to facilitate to scale up CPA
	Ministry of Land and Cooperatives	
	Ministry of Water Resources and energy	
	Ministries of Women (MWCSC) and Federal Affairs (MOFAGA)	
	Ministry of Finance and Planning	Allocation of financial resources
	National Planning Commission (including social development section)	Mainstreaming CPA within national program and plan
	Private sector (Agro and MFI) and business communities	Support on marketing of agricultural products; and developing finance products
Federations of cooperatives and Civil Society groups	Advocacy and lobbying for the rights of local communities	
Provincial [State]		
	Ministry Agricultural and Livestock, Cooperative, and Land	Provincial leadership and coordination
	Ministry of Forests and Environment	Backstop local level through technical support and monitoring
	Ministry of Water Resources and Energy	
	Ministry of Finance and Planning	Allocate finance for scale up
	Civil society organisations	Advocacy lobbying and capacity building
	Private sector business communities	Support on marketing
	Federation of cooperatives and groups	Advocacy and lobbying
Research and academic institutions	Technical support and capacity building	
Local [Municipal]		
	Agriculture Knowledge Centre	Technical support and capacity building
	Frontline officers from government	
	Municipalities and wards	Legal, financial and institutional support
	Civil society organisations	Advocacy and capacity building
	Private sector business communities	Support on marketing
	Agro vet and input suppliers	Provide agricultural inputs
	User group representatives	Advocacy for their rights
	Cooperatives and federations	
	Management and Planning Committee for CPA operation	Coordination and guidance

The team suggest that the primary planning process will need to take place at Municipal level. Undertaking a local stakeholder mapping process which identifies who the key stakeholders are, their level of interest in taking a CPA forward and the level of influence and power they have in the outcome will help planning. Figure 7 below gives an illustrative

stakeholder map, though the team would want to emphasize that the process of developing the map is important and this example is not an assessment.

Figure 7: Illustrative Stakeholder Map for Vertical Scale at Provincial/Local level



Key individuals will need to be identified within the concerned ministries who can help drive and support possible changes. Support to them could include drafting of suggested changes which might enhance the framework within which the CPA is implemented.

Continued engagement with the National Planning Commission to try and mainstream the CPA within national programmes and the national plan will help legitimise the approach and help support efforts to influence the allocation resources. The Social Development Section should be engaged with to help support women and the marginalised to deal with wider issues of discrimination and control.

Government bodies can also provide and support the provision of technical support at national and local levels. The legitimisation of the role of 'Plant Doctor' with a recognised training programmes and qualifications is one example of how this type of institutional change has been embedded; similarly building the capacity of frontline government officers

and Agriculture Knowledge Centres would allow the CPA to move beyond reliance on donor funded 'experts'.

Government is also able to provide funding at a local level. During the field visits the Vice Mayor of Surkhet outlined how he was offering to allocate 15 Lakhs NRS (£10,500) to promote the CPA and for the construction of collection centres. The Provincial Secretary of the Ministry of Agriculture, Land and Cooperatives also had 21 Crore NRS (£1.47 million) allocated for agricultural development in the province and the scaling out CPA was an area they were looking to support.

Private Sector Drive

If the CPA is going to take off it will be important for private sector engagement to deepen as well as broaden. Working with larger private sector organisations might both provide opportunities for more value-add activities – e.g. exploring possibilities for processing and canning plants; additional financial products – as well as provide the basis for increased activity at scale across existing and new provinces. It will of course be important to ensure the private sector is able to work in a GESI responsive manner and does not adopt measures that increase the vulnerabilities of already marginalised farmers.

It will be important that the CPA is able to show how profits at scale can be made and the levels of investment required. Given the dynamics of private sector work and the need to create competitive advantage, this process is different to engaging with the public sector. Proponents of CPA will need to present opportunities and to illustrate how increased product and supply chain development, investment and marketing can lead to the generation of sustainable profits for scale. Getting government to recognise and incentivise investment from the private sector would also help develop the market and may be a more effective intervention than government subsidies at a household or community level²⁸. Tax incentives for women or Dalit-led agriculture enterprises, reduction in transport or other costs of production inputs would assist this target group to really invest in CPA.

As outlined in the proof of concept note the role of banks and microfinance is key to providing farmers with funds to manage capital investment and cash flow and for collection centres (if they become institutionalised as cooperatives). Loans from microfinance institutions (MFIs) are commonly available at an interest rate of 18%. Loans are also possible from Banks at 16% though the approval process was seen as cumbersome, but with the opportunity of a 6% interest rate if able to access a government subsidy. Muktinath Bikas Bank has shown interest and a willingness to construct suitable products, but more work is required to illustrate how returns can be made to other providers through supporting different elements of the supply chain and to lobby government to ensure subsidy processes are user friendly and efficient.

Civil Society and Cooperative engagement

At Federal and Provincial levels, it would be helpful to have support for the CPA from civil society. These groups can then put pressure and advocate for change to government and the private sector and where appropriate help build capacity (e.g. research and learning and development institutions). For this to happen there needs to be a clear evidence base and set of dissemination tools which illustrate the wider benefits of the CPA. These need to address issues of equity and also sustainable community development. Key civil society actors to engage with at national and provincial level would include: Sustainable Agriculture for Rural

²⁸ Initial work undertaken by iDE (from 2014) suggests that household level subsidies have tended to be sporadic and have a negative impact on the CPA approach. Subsidies that support collection centres, water systems, regional wholesale markets and extension services are seen as generating much stronger returns in terms of developing private sector engagement and sustainable profits.

Development Concern Society Nepal, Sustainable Livelihood Forum (SLF) Nepal, Rural Reconstruction Nepal (RRN) and the NGO Federation of Nepal (NFN).

Given how many collection centres are evolving into cooperatives, support from cooperative federations endorsing and contributing to the institutionalisation of collection centres would again help legitimise the approach and embed it into national, provincial and local systems. Cooperatives have the capacity to empower their members economically and socially and to create sustainable employment through equitable and inclusive business models, but efforts will need to be made to ensure gender and social equality are maintained within cooperatives.²⁹

Development Partner Support

The final key element of an enabling environment is coordinated and coherent development partner support. Even given financial commitments from government the team think it is still unlikely that the CPA will have sufficient momentum to begin a move to scale without some catalytic funding from donors.

To facilitate this there needs to be a concerted effort to communicate the CPA and to push donors to support sustainable change, rather than just short term ‘direct’ project results. A clear theory of change and alternative performance frameworks are needed which illustrate how support for indirect changes such as facilitating an enabling environment can lead to greater levels of beneficiary level results. Balancing Horizontal scale up – where direct results are easier to measure – with Vertical scale up – where it is more problematic – provides an opportunity to meet different reporting needs yet still stimulate and support system level change. It will be important to understand donor priorities and to try and persuade them to work collectively to maximise coverage, minimise duplication and ensure consistency and quality in terms of who is supported and where. It will be important for the development partners to not only coordinate with different agencies but to also ensure that within their own institutions the agriculture and the social development specialists (among other relevant subject experts) collaborate to ensure the interdependency of different thematic expertise required for CPA is effectively mobilised.

4. Developing an Action Plan for Scale

Figure 8 provides an outline framework for a coordinated strategy for going to scale. It is important to appreciate that though presented separately the two approaches both support and complement each other. Horizontal scale will further develop the evidence base required for advocacy and influencing and vertical changes can increase the scope and efficiency of replication models.

Table 1 suggests an initial step by step approach to creating a scale up strategy. It is at this stage quite simplistic and individual strategies will need to be constructed at Municipal level. Scale-up planning processes will need to be participatory, inclusive, and diverse; they should include Gender Equity and Social Inclusion (GESI) objectives³⁰ and plans for mobilizing political commitment and financial resources. They will also require outline monitoring plans which show how progress across the range of outputs and outcomes will be tracked and then evaluated.

²⁹ International Year of Cooperatives, Issue Brief Series, Agricultural cooperatives and gender equality, FAO, 2012

³⁰ Rottach, E. 2013. Approach for Promoting and Measuring Gender Equality in the Scale Up of Family Planning and Maternal, Neonatal, and Child Health Programs. Washington, DC: Futures Group, Health Policy Project.

Figure 8: An Integrated Model for CPA Scale-Up

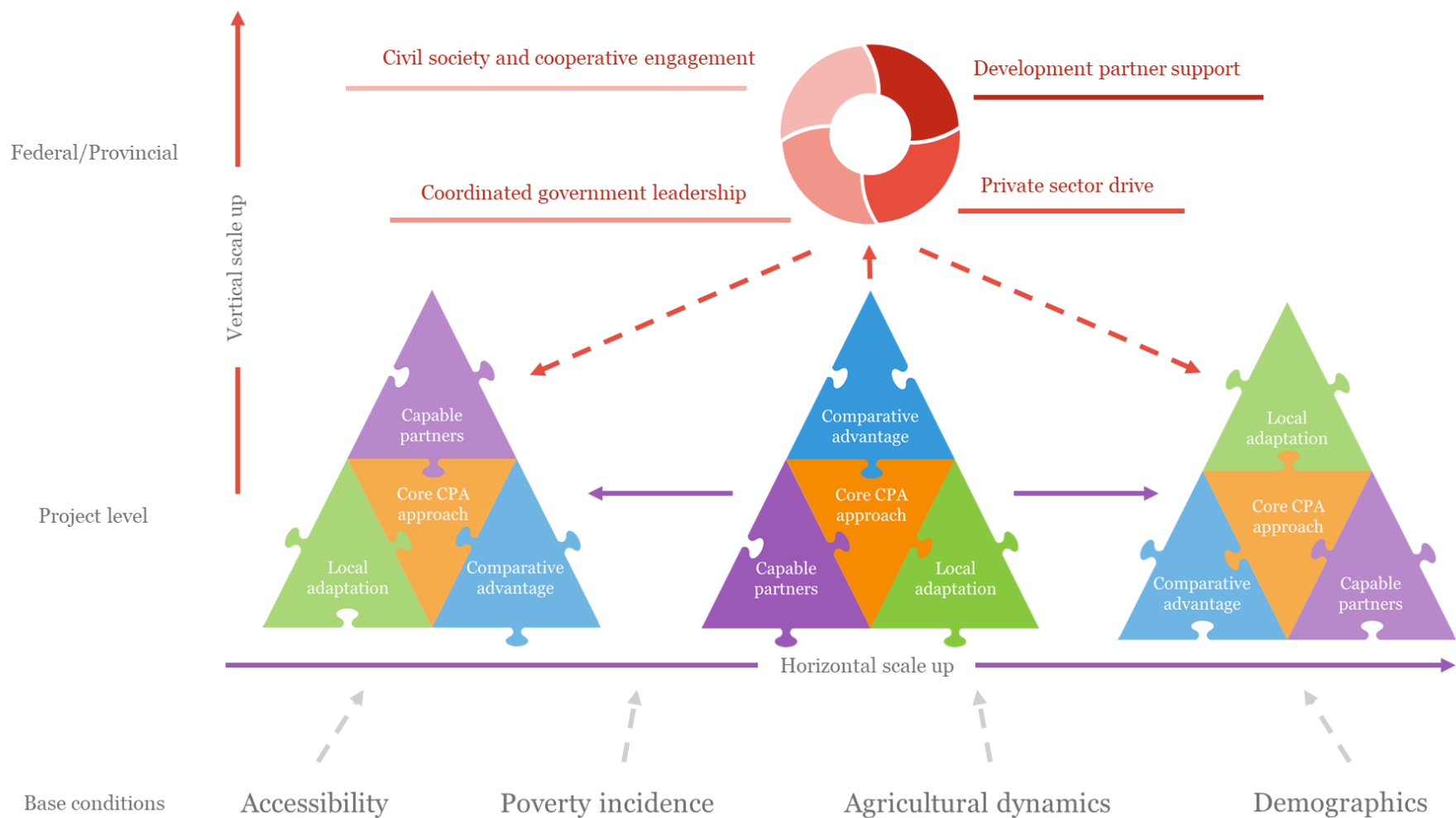
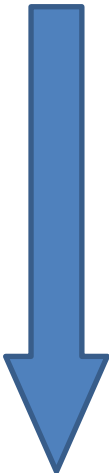



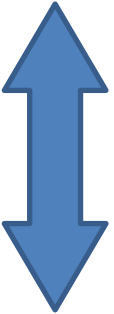
Table 1: Steps to creating a scale up strategy

Step 1	Create a diverse resource group tasked with developing an action plan for scaling up CPA
Step 2	Undertake an assessment of the enabling environment – force field analysis – forces driving change, forces restraining against it; include GESI assessment to identify the gender- caste/ethnicity related barriers and opportunities relevant to programme scale-up
Step 3	Assess possible locations for early replication – a) favourable conditions, b) equity focused, harder to operate, c) stakeholder analysis
Step 4	Assess organisational capabilities for replication process in different locations
Step 5	Assess national level organisational capabilities
Step 6	Assess resource requirements for scale up and likely sources; assess human resource and financial resources required including working with marginalised groups in remote areas.
Step 5	Make strategic and informed choices for vertical scale up
Step 6	Make strategic and informed choices for horizontal scale out
Step 7	Undertake comprehensive stakeholder analysis at national and local level – identify roles, contributions and resources expected/hoped for; with a focus on actors working on issues of gender equality, social inclusion
Step 8	Refine plan of action to scale up
Step 9	Finalise scale up strategy and outline next steps

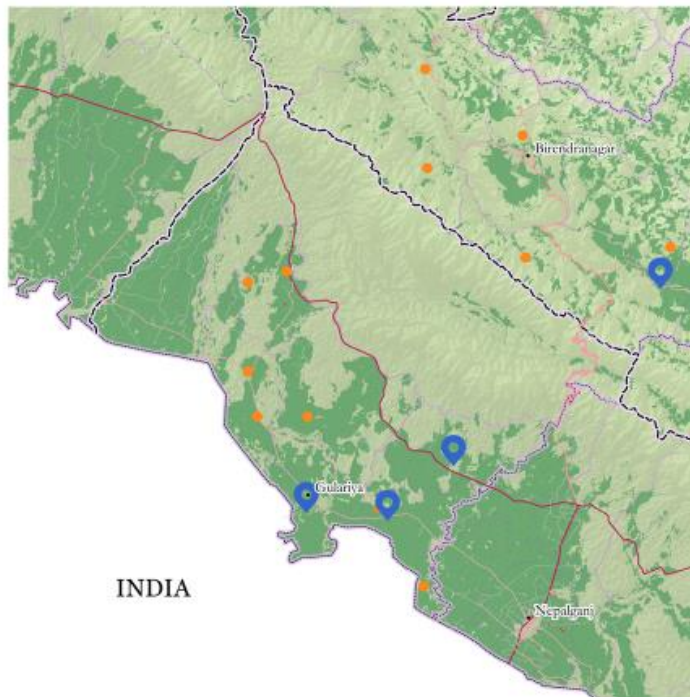
Table 2 illustrates what a more specific ‘high level’ strategy might look like. This is primarily targeted at government as it will be important that they are the key drivers of the approach. This will need to be supported with activities and engagement with the private sector.

Table 2: Illustration of Scale up Plan

Year	Actions	Modality	Key responsibility
First Year 2019/20			
Initiation, policy formulation and initial horizontal scale out 	Organise a national dialogue on CPA	At central level, the Ministry of Agricultural and Livestock Development to host a one-day national dialogue of stakeholders (public, private, civil society groups, donors) for a comprehensive discussion on CPA, its merits and potential impact on national economy and enhancing people's livelihoods.	Ministry of Agricultural and Livestock Development Broad stakeholder group
	Develop a national strategy	In coordination with other ministries, development partners and the private sector, MoALD will develop a national strategy to primarily sit under the Agricultural Development Strategy (ADS) 2014 to scale up CPA in Nepal	MoALD Expert Resource Team
	Formulate policies, regulations and guidelines	Central government should collectively review and then refine existing policies and regulations in line with the ADS. These should include approaches to incentivise private sector actors	MoALD Secretary and Joint Secretaries
	Establish CPA support unit	Department of Agriculture should establish a CPA unit to mainstream the approach, provide technical support in annual planning and get approval of plan through MoALD, National Planning Commission, and the Ministry of Finance	Department of Agriculture National Planning Commission
	Initiate initial assessments for sites for horizontal scale out	CPA Unit working with interested development partners, local government, iDE and other possible implementing agencies, should identify possible sites for CPA scale out. If possible, implementation should start in year one to try and get 'quick wins' and further evidence of what works and where in different contexts	Department of Agriculture
Second Year 2020/21			
Implementation	Develop implementation guidelines	Based on existing strategy and policies a detail implementation guideline will be developed to scale up CPA. This is likely to require input from iDE and consultation with a wider group of partners. This should include more detailed expectations of possible costs (and variations) to these and clear monitoring and data collection processes	Department of Agriculture, and provincial MoALD, Municipalities

	Capacity building of stakeholders	In coordination with donors, civil society organisations, MoALD should provide training and orientation to key stakeholders at national, provincial and local levels	At central level: Department of Agriculture At provincial level: Provincial MoALD Civil society groups Donors community	
	Develop plan and allocate budget	For horizontal scale up; an annual plan will be developed along with necessary budget allocation and external funding requirements across all seven provinces	Agriculture Knowledge Centre Rural Municipalities, Provincial MoALD	
	Extend number of implementation sites	Targeted CPA implementation with a focus on broadening coverage, and reaching possibly 'harder' to reach communities areas	Department of Agriculture	
Third Year 2021/22				
	Follow up Monitoring and further scale up phase	Follow up, monitoring and further scaling up	Regular planning monitoring and follow up on implementation of CPA	Provincial MoALD Rural municipalities Frontline Officers Agriculture Knowledge Centre
		Further scale up	Municipalities and Provincial MoALD will develop annual plan with feasible target each year until all the potential CPA area is covered fully.	Rural Municipalities Agriculture Knowledge Centre Planning and Monitoring unit of provincial MoALD
		Review and reflections of progress	Organise national conference looking at progress so far and collating evidence about the efficiency, effectiveness and impact of the CPA	Ministry of Agricultural and Livestock Development Broad stakeholder group

Annex 1: Maps of Districts and Locations Visited³¹

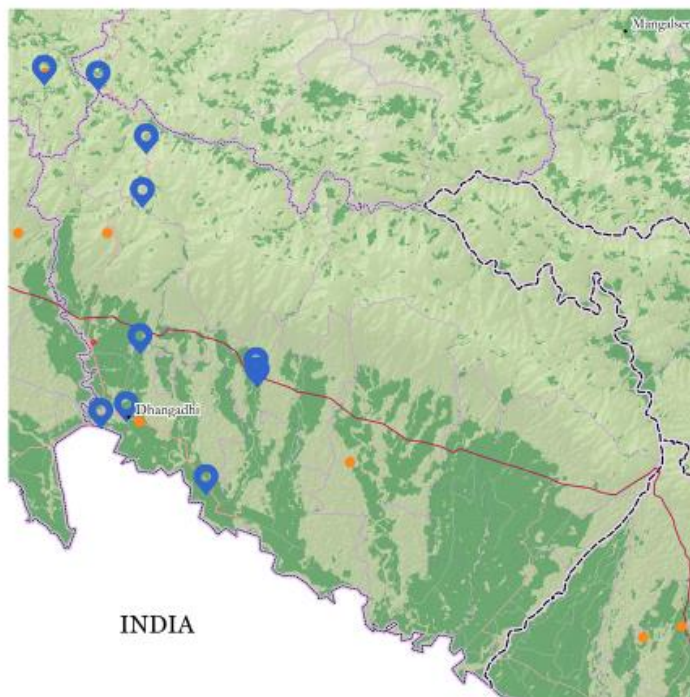


Legend

- Anukulan**
- Locations visited
 - Location of CC
- Infrastructure**
- District HQ
 - Major road
 - Primary road
 - Secondary road
 - Tertiary road
- Administrative**
- Provincial boundary
 - Palika boundary
 - District boundary
- Land cover**
- Agriculture

BARDIYA

Province: 5
 District HQ: Gulariya
 Population: 426,576 (Male 205,080 & Female 221,496)
 Households: 83,176
 Poverty incidence: 28.7%
 Environment: Terai/Siwalik
 Economies: Agriculture, cottage industries, trading
 Financial services: Poor



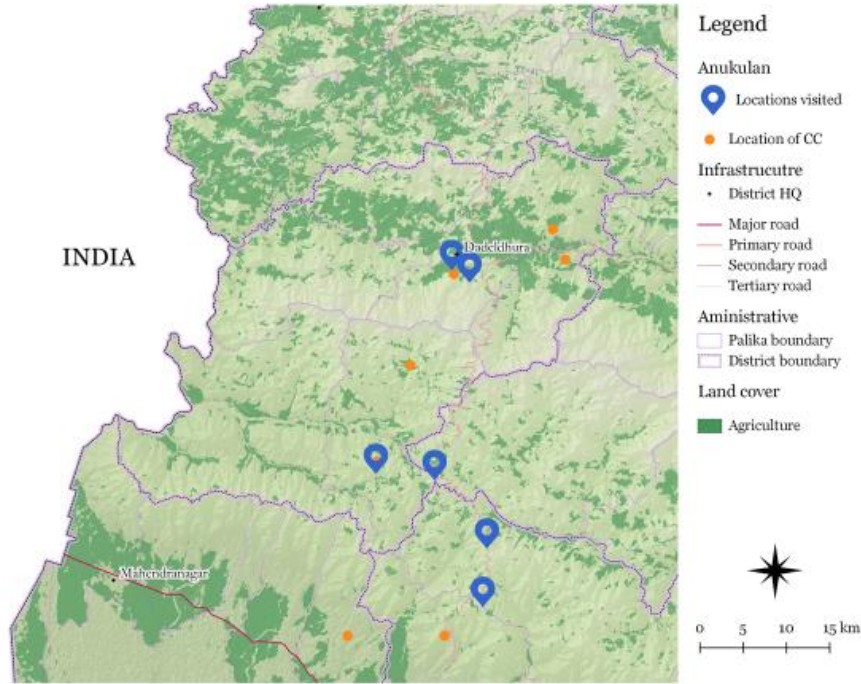
Legend

- Anukulan**
- Locations visited
 - Location of CC
- Infrastructure**
- District HQ
 - Major road
 - Primary road
 - Secondary road
 - Tertiary road
- Administrative**
- Provincial boundary
 - Palika boundary
 - District boundary
- Land cover**
- Agriculture

KAILALI

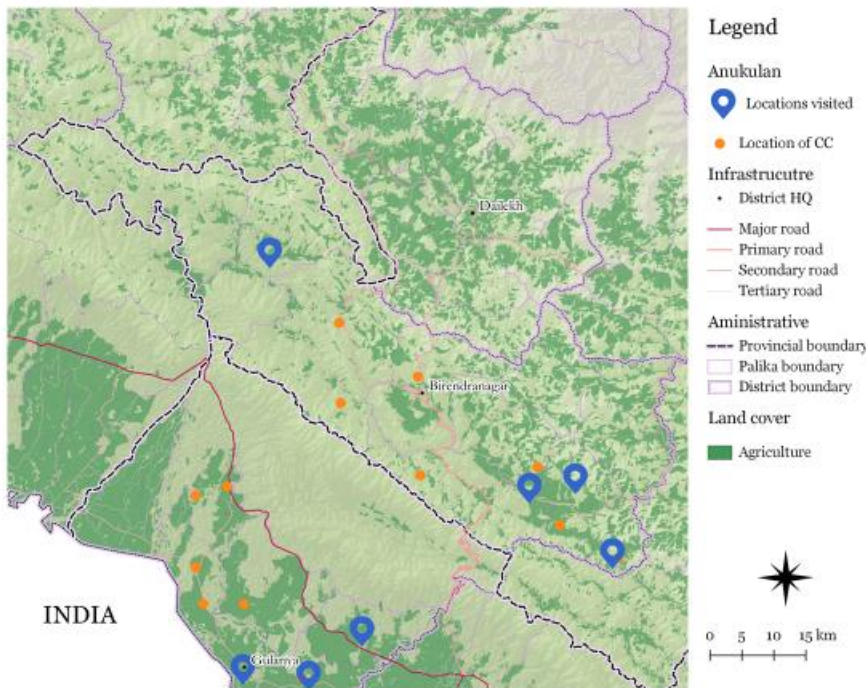
Province: 7
 District HQ: Dhangadhi
 Population: 775,709 (Male 378,417 & Female 397,292)
 Households: 142,413
 Poverty incidence: 33.6%
 Environment: Terai/Siwalik
 Economies: Agriculture, food processing, transport, tourism, trading
 Financial services: Poor. High incidence of informal credit

³¹ 'Old CPA' in Syangya and Kaski districts refers to collection centres that were set up in iDE projects before Anukulan



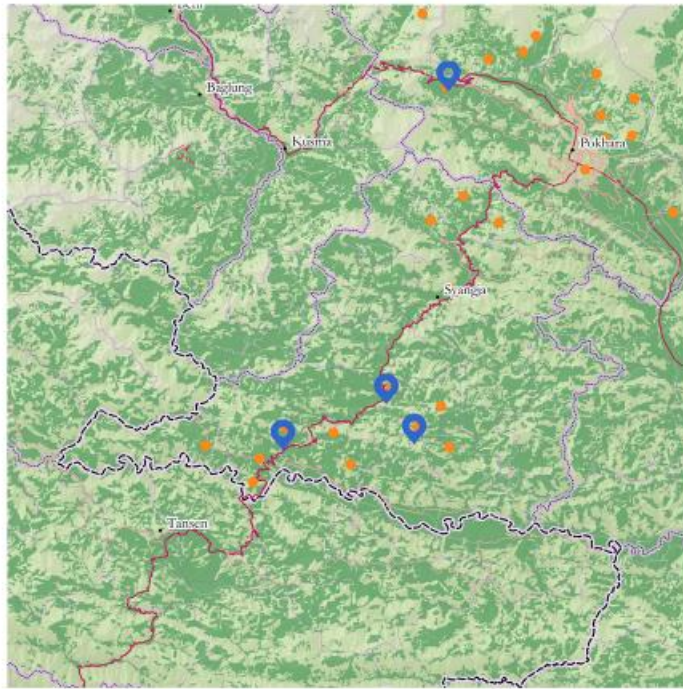
DADELHDHURA

Province: 7
 District HQ: Dadelhdhura
 Population: 142,094 (Male 66,656 & Female 75,538)
 Households: 27,045
 Poverty incidence: 43.3%
 Environment: Siwalk/Middle mountain, Desert
 Economics: Agriculture, manufacturing, tourism
 Financial services: Poor



SURKHETA

Province: 6
 District HQ: Birendranagar
 Population: 350,804 (Male 169,421 & Female 181,383)
 Households: 72,863
 Poverty incidence: 30%
 Environment: Siwalk/Middle mountain
 Economics: Agriculture, cottage industries, trading
 Financial services: Poor



Legend

Old CPA

- Locations visited
- Location of CC

Infrastrucutre

- District HQ
- Major road
- Primary road
- Secondary road
- Tertiary road

Aministrative

- Provincial boundary
- Palika boundary
- District boundary

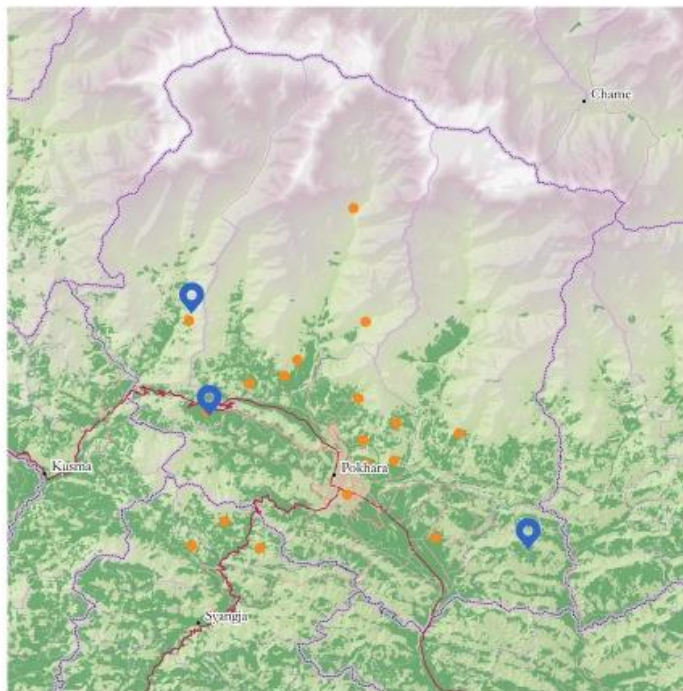
Land cover

- Agriculture



SYANGJA

Province: 4
 District HQ: Putalibazar (Syangja)
 Bazar
 Population: 289,148 (Male 127,225 & Female 161,923)
 Households: 68,856
 Poverty incidence: 11.8%
 Environment: Middle mountain
 Economies: Agriculture, tourism, hydropower
 Financial services: Poor



Legend

Old CPA

- Locations visited
- Location of CC

Infrastrucutre

- District HQ
- Major road
- Primary road
- Secondary road
- Tertiary road

Aministrative

- Palika boundary
- District boundary

Land cover

- Agriculture



KASKI

Province: 4
 District HQ: Pokhara
 Population: 492,098 (Male 236,207 & Female 255,891)
 Households: 125,459
 Poverty incidence: 4%
 Environment: Middle mountain/High mountain
 Economies: Agriculture, tourism, hydropower
 Financial services: Mixed

Annex 2: New Federal Structures and their Functions

Under the LLRC (Local Level Restructuring Commission), the new structure of local government was determined, and 753 Local Governments units (LGs) have been established within the seven provinces.

These represent a drastic reduction from the earlier structure of 3,157 VDCs (Village Development Committees) and 217 municipalities. They are comprised of 6 Metropolitan Cities (Mahanagarpalika), 11 Sub-metropolitan Cities (Upamahanagarpalika), 276 Municipalities (Nagarpalika) and 460 Rural Municipalities (Gaunpalika).

The new LGs (local governments) are responsible for much larger territories and are mandated with much greater responsibility. The logic behind this shift, as stated by the LLRC and propagated by national political parties and media, include: (a) bringing democracy to the doorstep of the citizens; (b) vesting more power and responsibility in local government; and (c) making the local government the focal point for service delivery and economic development. However, this introduces the challenge of meeting the demands of the newly incorporated rural wards alongside the denser urban wards.

In formulating the new jurisdictions, the LLRC formed District-level Technical Committees to provide restructuring proposals and accelerate the restructuring process. The Technical Committees were responsible for conducting public consultations with stakeholders at the district and local levels in the development of their proposals. A study conducted by the Democracy Resource Centre Nepal (DRCN) found that there were concerns about the technical capacity on many committees and that the work completed by the committees varied significantly between districts.

Under the new Constitution, LGs will for the first time in Nepal's history, exercise executive, legislative as well as judicial powers. A Mayor and Deputy Mayor (in the case of Municipalities) and a Chairperson and Vice Chairperson (in the case of Rural Municipalities) head the new local governments. Local units are further subdivided into wards, which are represented by a Ward Chairperson and four Ward Members. Out of the four ward members two must be women and one of the two women must be a Dalit. All of the locally elected representatives comprise the Village or Municipality Assemblies, which have local legislative power. Local executive power is vested in the Rural Municipal or Municipal Executive.

The Rural Municipal Executive is comprised of the Chairperson and Vice Chairperson, the Rural Municipality's Ward Chairpersons as well as four women members elected among the Rural Municipal Assembly. The Municipal Executive includes the Mayor and Deputy Mayor, Ward Chairpersons as well as five women members elected among the Municipal Assembly. Similarly, two Dalit or minority community members in village executive and three members in municipal executive are being elected by the respective assembly members from the list of the voters who are eligible for candidacy.

The local executive bodies share power through a division of work, particularly in nominating the conveners of the thematic committees. The Constitution also empowers the LG with semi-judicial powers for settling various disputes at the local level. The Deputy Mayor or Vice Chairperson of the local unit serves as the coordinator of the judicial committee. The judicial committees can settle cases related to boundaries, distribution of water, unpaid wages, rent, damage to crops, and a number of other matters.

The Deputy Mayor or Vice Chairperson also serves as the coordinator of Revenue Determination Committee. Each of the country's 77 districts have a District Assembly comprises of the Mayors, Deputy Mayors, Chairpersons and Vice Chairpersons collectively form the District Assembly. The District Assembly elects a District Coordination Committee (DCC) as an Executive branch at the district level. The DCC is comprised of a maximum of

nine members chosen from among members of Municipal or Rural Municipal Assemblies, and include a Head, Deputy Head, at least 3 women and at least one person from the Dalit or minority community.

The Constitution guides the functional responsibilities of each level of government with 22 exclusive functions assigned to local government including management of local services, local development projects and programs, basic and secondary education, basic health and sanitation, and local economic development. Issues not listed among the federal, provincial, or local level or concurrent power lists are assigned as federal powers and functions.