Global Agriculture and Food Security Program
Grant Agreement

(Agriculture and Food Security Project)

between

NEPAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as Trustee and Supervising Entity of the Global Agriculture and Food Security Program

Dated APRIL 30, 2013
GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM
GRANT AGREEMENT

AGREEMENT dated April 30, 2013, entered into between NEPAL ("Recipient"); and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as Trustee and Supervising Entity of the Global Agriculture and Food Security Program.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, in this Agreement, or in the Appendix to this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through MoAD in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to forty-six million five hundred thousand United States Dollars ($46,500,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
3.03. The Grant is funded out of the above-mentioned Trust Fund for which the World Bank receives periodic contributions from the donors to the Trust Fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the above-mentioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Secretary, Ministry of Finance.

4.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
Government of Nepal
Singha Durbar
Kathmandu, Nepal

Facsimile:
(977-1) 4211-164

4.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:
1-202-477-6391
AGREED at Kathmandu, Nepal, as of the day and year first above written.

NEPAL

By

Authorized Representative

Name: Shanta Raj Subedi
Title: Finance Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Trustee and Supervising Entity of the Global Agriculture and Food Security Program

By

Authorized Representative

Name: Tahseen Sayed
Title: Country Manager
SCHEDULE 1 - Project Description

The objective of the Project is to enhance food and nutritional security of targeted communities in selected locations of the Recipient’s territory.

The Project consists of the following parts:

Part 1. Technology Development and Adaptation

Development of appropriate technologies and resources to contribute to increased productivity of crops and livestock in Project Districts, through:

(a) with respect to crops: (i) evaluation and release of new varieties; (ii) development and refinement of location and problem specific agricultural management practices; (iii) strengthening of source seed production capacity; and (iv) provision of training and technical assistance to farmers; and

(b) with respect to livestock, improving breeding lines for goat and poultry production and development of improved technology packages through among other things: (i) carrying out of trials and demonstrations; (ii) provision of training and capacity building to farmers; (iii) developing improved animal management and health practices; (iv) production and/or importation and distribution of source seeds and germplasm (including eggs, semen and bucks); and (v) developing and managing foundation breeding stock.

Part 2. Technology Dissemination and Adoption

Supporting farmers in Project Districts to adopt the improved agricultural production technologies and management practices developed under Part 1, through:

(a) provision of Small Grants to communities for the financing of investments in such technologies and management practices;

(b) provision of technical assistance and training to farmers, including organization of technology demonstrations; and

(c) carrying out of outreach and information dissemination activities to support identification and mobilization of potential Beneficiary Communities.
Part 3. **Food and Nutritional Status Enhancement**

Enhancing nutritional status of target populations through promotion of diversified diets, increasing food availability, improving feeding and caring practices for pregnant and nursing women and for children under the age of two (2) years old, including:

(a) provision of Small Grants to communities for investments in community grain banks, and in simple technologies for home food processing and preservation and for reducing women’s labor and drudgery;

(b) development and dissemination of nutrition education and communication packages and materials; and

(c) provision of technical assistance and training to enhance the capacity of the Recipient to promote safe and nutritious foods in the Project Districts.

Part 4. **Project Management**

Provision of support for Project implementation and coordination, including provision of technical assistance and training, and developing and implementing a management information system to facilitate monitoring of Project activities.
SCHEDULE 2 - Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. For purposes of Project oversight, implementation and coordination, the Recipient shall establish and thereafter maintain, throughout the period of Project implementation:

   (a) a Project Steering Committee, chaired by the Secretary, MoAD and having composition and functions satisfactory to the Recipient and the World Bank, such functions to include facilitation of inter-agency cooperation and coordination, provision of oversight and policy guidance, approval of annual work plans, monitoring of Project implementation, and resolving of outstanding issues;

   (b) a Project Management Unit headed by a Project Director, supported by qualified staff in sufficient numbers under terms of reference satisfactory to the Recipient and the World Bank, responsible for implementation, coordination, monitoring and evaluation, and reporting;

   (c) a Project Technical Coordination Committee chaired by the Joint Secretary of MoAD, and having composition and functions satisfactory to the Recipient and the World Bank, responsible for setting technical guidelines and norms for guiding Project implementation;

   (d) a Regional Project Coordination Committee for the mid-western development region based in Surkhet; and a Regional Project Coordination Committee for the far-western development region, based in Dipayal, each headed by the respective Regional Director in DoA or DLS and having composition and terms of reference satisfactory to the Recipient and the World Bank, responsible for ensuring inter-agency cooperation and coordination, and integrated implementation in its respective region;

   (e) a Regional Project Support Unit for the mid-western development region based in Surkhet; and a Regional Project Support Unit for the far-western development region, based in Dipayal, each headed by the respective regional director of DoA or DLS as nominated by MoAD and having composition and terms of reference satisfactory to the Recipient and the World Bank, responsible for ensuring inter-agency cooperation and coordination, monitoring and review of the project activities and progress in the districts of the respective region, and integrated implementation in its respective region;
(f) a District Project Coordination Committee in each Project District, with composition satisfactory to the Recipient and World Bank, including representatives of the agencies of the Recipient and of farmers' groups involved in Project implementation, responsible for coordination of the grassroots Project activities at the district level; and

(g) a District Project Support Unit in each Project District, with composition and functions satisfactory to the Recipient and the World Bank, responsible for facilitating implementation of the Project at the district level.

2. The coordinator of the District Project Support Unit in each Project District shall establish a Grievance Redressal Mechanism, as provided for in the Governance and Peace Action Plan, in each community in each District where a Sub-project is planned or implemented.

3. The Recipient shall ensure that PMU and NARC shall cooperate fully in the implementation of Part 1 of the Project. To this end, the PMU and NARC shall, not later than two months after the date of this Agreement, enter into a Memorandum of Understanding, satisfactory to the World Bank, setting out their respective roles, responsibilities and obligations in the implementation of such Part of the Project.

4. The Recipient shall ensure that MoAD and MoHP shall cooperate fully in the implementation of Part 3 of the Project. To this end, MoAD and MoHP shall, not later than two (2) months after the date of this Agreement, enter into a written understanding of operational modality, satisfactory to the World Bank, setting out their respective roles, responsibilities and obligations in the implementation of such Part of the Project.

B. Project Implementation Plan and Small Grants Operational Guidelines

1. The Recipient shall ensure that the Project is implemented in accordance with the Project Implementation Plan, including the Governance and Peace Action Plan annexed thereto, and the Small Grants Operational Guidelines, and shall not take or concur in any action which would have the effect of assigning, amending, abrogating or waiving such documents or any provision thereof, without the prior written consent of the World Bank.

2. In the event of a conflict between the provisions of this Agreement and the provisions of the Project Implementation Plan or the Small Grants Operational Guidelines, the provisions of this Agreement shall prevail.
C. Selection Criteria, Terms and Conditions and Procedures for Small Grants and Sub-projects under Parts 2(a) and 3(a) of the Project

1. The Recipient shall provide Small Grants to Beneficiary Communities to finance Sub-projects under Parts 2(a) and 3(a) of the Project in accordance with selection and eligibility criteria, and procedures, terms and conditions acceptable to the World Bank, as further detailed in the Small Grants Operational Guidelines. In the event of any conflict between the provisions of this Agreement and the provisions of the Small Grants Operational Guidelines, the provisions of this Agreement shall prevail.

2. The Recipient shall select and hire Service Providers in accordance with the provisions of Section III of this Schedule 2 to assist potential and actual Beneficiary Communities with the preparation, appraisal, and implementation of Sub-projects and with the process of applying for Small Grants, and to provide such other capacity building assistance, including training, as shall be requested by the relevant Beneficiaries and approved by the Recipient and the World Bank.

3. The Recipient shall make each Small Grant under a Small Grant Agreement with each respective Beneficiary Community using the form of the model small grant agreement attached to the Small Grants Operational Guidelines and on terms and conditions described in more detail in such Guidelines.

4. With respect to each Small Grant Agreement, the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:

   (a) suspend or terminate the right of the Beneficiary Community to use the proceeds of the Small Grant, or obtain a refund of all or any part of the amount of the Small Grant then withdrawn, upon the Beneficiary Community's failure to perform any of its obligations under the Small Grant Agreement;

   (b) require each Beneficiary Community, with the assistance of a Service Provider selected and hired by the Recipient, to:

       (i) carry out the Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Small Grants Operational Guidelines, the Environmental Management Framework, the Social Management Framework and the Anti-Corruption Guidelines
applicable to recipients of grant proceeds other than the Recipient;

(ii) prior to commencing any Sub-project: (a) prepare any relevant Environmental Management Plan or Vulnerable Communities Development Plan required under the Environmental Management Framework or the Social Management Framework; and (b) adopt such plans and ensure that such plans are disclosed publicly and are carried out in accordance with their respective terms.

(iii) provide, promptly as needed, the resources required for the purpose of the Sub-project;

(iv) procure the goods, works and services to be financed out of the Small Grant in accordance with the provisions of Section III of this Schedule 2;

(v) maintain procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-project and the achievement of its objectives, including records of meetings and minutes of the proceedings;

(vi) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (B) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors, acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(vii) enable the Recipient and the World Bank to inspect the Sub-project, its operation and any relevant records and documents; and

(viii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.
5. The Recipient shall exercise its rights under each Small Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the respective Sub-project. Except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive any Small Grant Agreement or any of its provisions.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Safeguards

1. The Recipient shall carry out the Project in accordance with the Environmental Management Framework and the Social Management Framework.

2. Prior to commencing any Project activity or Sub-project, the Recipient shall: (a) prepare, or cause each Beneficiary Community with respect to each Sub-project to prepare, the relevant Environmental Management Plans or Vulnerable Communities Development Plans required under the Environmental Management Framework or the Social Management Framework; and (b) thereafter adopt such plans and ensure that such plans are disclosed publicly and are carried out in accordance with their respective terms.

3. The Recipient: (a) shall not amend the Environmental Management Framework, the Social Management Framework or any Environmental Management Plan, or Vulnerable Communities Development Plan without the prior written consent of the World Bank; and (b) shall report promptly to the World Bank any issues that impact or could impact the implementation of the requirements of this section.

4. In the event of any inconsistency between the provisions of this Agreement and those of the Environmental Management Framework, the Social Management Framework or any Environmental Management Plan, Resettlement Action Plan, or Vulnerable Communities Development Plan, the provisions of this Agreement shall prevail.

F. Donor Visibility and Visits

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.
Section II.  Project Monitoring, Reporting and Evaluation

A. Project Reports; Mid-term Review; Completion Report

1. The Recipient shall:

(a) monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in Attachment 1 to this Schedule 2. Each Project Report shall cover the period of one (1) fiscal trimester and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.

(b) prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank, on or about December 31, 2015, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the World Bank, on such date as the World Bank shall request, the report referred to in subparagraph (b) of this paragraph, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the World Bank’s views on the matter.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each fiscal year trimester, covering the trimester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1)
fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. **Procurement**

A. **General**

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, in accordance with the Public Procurement Act of Nepal (and regulations made thereunder), subject to the additional procedures set forth in Attachment 2 to this Schedule 2</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>
C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Fixed Budget Selection</td>
</tr>
<tr>
<td>(c) Selection based on the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Single-Source Selection</td>
</tr>
<tr>
<td>(f) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Selection of the Food and Agriculture Organization of the United Nations</td>
</tr>
</tbody>
</table>

D. **Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Percentage of Amount of the Grant Expenditures to be Allocated Financed (inclusive of Taxes)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Training and Workshops</td>
<td>13,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>2. Consultants' services</td>
<td>8,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>3. Works</td>
<td>2,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>4. Goods and non-consulting services</td>
<td>12,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>5. Incremental Operating Costs</td>
<td>5,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>6. Small Grants</td>
<td>3,500,000</td>
<td>30% of amounts disbursed</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td><strong>46,500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments:

   (a) made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $100,000 equivalent may be made for payments made prior to this date but on or after September 1, 2012, for Eligible Expenditures under Categories (1) to (5);

   (b) under Categories (1) to (5) until MoAD, through PMU, and NARC have entered into a Memorandum of Understanding (MoU) setting out their respective roles in the implementation of Part 1 of the Project, as provided for in Schedule 2, Section I, Paragraph A.3 of this Agreement;

   (c) under Categories (1) to (5) until MoAD and MoHP have entered into a written understanding of operational modality, satisfactory to the World Bank setting out their respective roles in the implementation of Part 3 of the Project, as provided for in Schedule 2, Section I, Paragraph A.4 of this Agreement.; and

   (d) under Category (6) until the Recipient has prepared, adopted, and disseminated in a manner acceptable to the World Bank, the Small Grants Operational Guidelines referred to in Schedule 2, Section I, Paragraph B.1 of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2018.
Attachment 1 to Schedule 2
Monitorable Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Core Sector Indicator</th>
<th>Core GAP Indicator</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Value</th>
<th>Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PY1</td>
<td>PY2</td>
</tr>
<tr>
<td>1. Improved technologies (crop and livestock) released for project area farmers</td>
<td>☒</td>
<td>☐</td>
<td>No.</td>
<td>0</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>2. Increased productivity of</td>
<td>☐</td>
<td>☐</td>
<td>% over BL</td>
<td>BL&lt;sup&gt;3&lt;/sup&gt;</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>• Crops&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Livestock&lt;sup&gt;2&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Farmers (women farmers)&lt;sup&gt;3&lt;/sup&gt; with increased productivity in</td>
<td>☒</td>
<td>☒</td>
<td>No.</td>
<td>0 (0)</td>
<td>18000 (9000)</td>
<td>40000 (20000)</td>
</tr>
<tr>
<td>• Crops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Livestock</td>
<td></td>
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</tbody>
</table>

<sup>1</sup>30% productivity increase targeted for each of four major crops in the project area.

<sup>2</sup>75% productivity increase targeted for each of three livestock products: meat from goats, eggs from poultry, and milk from cow/buffalo.

<sup>3</sup>Baseline values: paddy = 2.6 tons/ha; wheat = 1.9 tons/ha; maize = 2.2 tons/ha; and potato = 12.9 tons/ha.

<sup>4</sup>Baseline values: goat = 20 kg per goat (of 12 months); hen = 55 eggs per year; milk = 720 litres per lactation (weighted average of 60% buffalo yield and 40% cow yield).

<sup>5</sup>Target values are given for both total number of farmers, and number of women farmers. The latter are indicated in parenthesis after the total number.
<table>
<thead>
<tr>
<th>4. Improved dietary intake for</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Pregnant and nursing women⁶</td>
</tr>
<tr>
<td>- Children between 6-24 months⁷</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% over BL</th>
<th>BL⁸</th>
<th>BL+5 %</th>
<th>BL + 15%</th>
<th>Mid-, End-Project</th>
<th>Survey</th>
<th>Internal/External</th>
</tr>
</thead>
</table>

⁶Measured as percentage of women increased frequency of consumption of animal proteins (at least one food group out of milk, meat, eggs) and/or micronutrient rich vegetables and fruits (at least one food group out of green leafy vegetables and yellow/orange fruits/vegetables).

⁷Measured by percent of children fed using three IYCF practices defined by WHO.

⁸Will be estimated during the project BL survey.
Attachment 2 to Schedule 2 - National Competitive Bidding

The following additional provisions shall apply to National Competitive Bidding procedures:

(i) bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;

(ii) foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders;

(iii) bids shall be opened in public in one place, immediately after the deadline for submission of bids;

(iv) qualification criteria (in case pre-qualifications were not carried out) shall be stated in the bidding documents, and if a registration process is required, a foreign firm declared as the lowest evaluated bidder shall be given a reasonable opportunity of registering, without let or hindrance;

(v) evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format and specified period agreed with the Association and contracts shall be awarded to the lowest evaluated bidders;

(vi) rebidding shall not be carried out without the prior concurrence of the World Bank;

(vii) extension of bid validity shall not be allowed without the prior concurrence of the Association (A) for the first request for extension if it is longer than four (4) weeks and (B) for all subsequent requests for extension irrespective of the period; and

(viii) there shall not be any restrictions on the means of delivery of the bids.
APPENDIX

Definitions


2. “Beneficiary Community” means a community that meets the eligibility criteria set out in the Small Grants Operational Guidelines (as herein defined), whose Sub-project meets the selection criteria established in such Guidelines and which has received, or will receive, a Small Grant, under a Small Grant Agreement.

3. “Category” means a category set forth in the table in Schedule 2, Section IV, Paragraph 2 of this Agreement.


5. “District Project Coordination Committee” means the committee referred to in Schedule 2, Section, Paragraph 1(f) of this Agreement to be established by the Recipient in each Project District, responsible for coordination of the grassroots Project activities at the district level,

6. “District Project Support Unit” means the unit referred to Schedule 2, Section I, Paragraph A.1 (g) of this Agreement to be established by the Recipient in each Project District responsible for day to day implementation of the Project at the district level.

7. “DoA” means the Department of Agriculture under the Recipient’s Ministry of Agricultural Development, or any successor thereto.

8. “DLS” means the Department of Livestock Services under the Recipient’s Ministry of Agricultural Development, or any successor thereto.

9. “Environmental Management Framework” means the Recipient’s framework dated August 15, 2012, satisfactory to the World Bank and publically disclosed in the Recipient’s territory on July 26, 2012, setting out measures to eliminate adverse environmental impacts of activities to be implemented under the Project, (including pest management), offset them, or reduce them to acceptable levels, and to enhance positive impacts of such activities, and the mechanisms (procedures and institutional responsibilities) for ensuring sustainable environmental management of the Project, as such framework may be amended from time to time with the prior written agreement of the World Bank.
10. "Environmental Management Plan" means a plan, acceptable to the World Bank to be prepared on the basis of the Environmental Management Framework detailing the specific actions, measures and policies designed to address adverse environmental impacts and facilitate the achievement of the objectives of the Environmental Management Framework, as such plan may be amended from time to time with the prior written agreement of the World Bank.

11. "G20" means the group of finance ministers and central bank governors from nineteen of the world's largest economies, and the European Union, formed in 1999 as a forum for member nations to discuss key issues related to the global economy and whose mandate is to promote growth and economic development across the globe.

12. "Gender Development Plan" means the Recipient's plan satisfactory to the World Bank, dated July 26, 2012 and publicly disclosed as part of the Social Development Framework that sets out specific measures to address women's workload issues, especially in the context of out-migration of male members of the household, including measures for enhancing skills and capabilities and improving gender sensitization.

13. "Global Agriculture and Food Security Program" and "GASFP" mean the multilateral mechanism to assist in the implementation of pledges made by the G20 in Pittsburgh in September 2009, whose objective is to address the underfunding of country and regional agriculture and food security strategic investment plans that have been developed by countries in consultation with donors and other stakeholders at the country-level.

14. "Governance and Peace Action Plan" means the Recipient's plan, dated October 25, 2012 and annexed to the Project Implementation Plan, for promoting good governance, conflict-sensitivity, transparency and accountability, and inclusion in the management of Project activities through among other things, (a) monitoring the allocation of resources under the Project and ensuring that they are utilized for their intended purposes and for the benefit of the Beneficiary Communities; (b) developing mitigation measures to address risks related to conflict including Grievance Redressal mechanisms at the community and district levels; (c) strengthening coordination between the various agencies of the Recipients and other stakeholders in the implementation of the Project, and (d) improving feedback mechanisms between Project beneficiaries and service providers.

15. "Grievance Redressal Mechanism" means the mechanism described in Schedule 2, Section I, Paragraph A.2 of this Agreement to be established in each community where a Sub-project is planned or implemented, as provided for in the Governance and Peace Action Plan.
16. “Incremental Operating Costs” means the reasonable incremental expenditures incurred by the Recipient on account of the Project for: office space rental, utilities, office supplies and equipment, support for information systems, building (including laboratory) and equipment maintenance, minor refurbishment of offices, vehicle operation, maintenance, and insurance, translation and communications services, public awareness-related publicity and media expenses, travel and subsistence, and salaries of temporary staff, but excluding salaries, bonuses, fees, or honoraria of members of the Recipient’s civil service.

17. “Ministry of Agriculture Development” and “MoAD” mean the Recipient’s Ministry of Agricultural Development, or any successor thereto.

18. “Ministry of Finance” and “MoF” mean the Recipient’s Ministry of Finance, or any successor thereto.


22. “National Planning Commission” and “NPC” mean the Recipient’s National Planning Commission or any successor thereto.


24. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 31, 2012 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

25. “Project District” means a district in the Recipient’s territory selected to participate in the implementation of the Project, including, inter alia, Darchula, Baitadi, Dadeldhuda, Humla, Jumla, Mugu, Dolpa Kalikot, Bajhang, Bajura, Jajarkot Achham, Doti, Dailekh, Surkhet, Rukum, Salyan, Rolpa, and Piuthan, and any other district selected by the Recipient and agreed in writing with the World Bank.
26. “Project Management Unit” and “PMU” mean the unit referred to in paragraph 1(b) of Section I.A of Schedule 2 to this Agreement.

27. “Project Implementation Plan” means the plan for the Project prepared and adopted by the Recipient and found satisfactory to the World Bank containing, inter alia: (i) the implementation arrangements; (ii) the procurement procedures and standard procurement documentation; (iii) the financial management action plan which outlines reporting requirements, financial management and audit procedures; (iv) key guidelines and principles for environmental and social management including the Social Management Framework; (v) the indicators to be used in the monitoring and evaluation of the Project; (vi) flow and disbursement arrangements of Project funds; and (vii) the Governance and Peace Action Plan, as said manual may be amended from time to time with the World Bank’s prior written approval.

28. “Project Steering Committee” and “PSC” mean the committee referred to in paragraph 1(a) of Section I.A of Schedule 2 to this Agreement.

29. “Project Technical Coordination Committee” means the committee referred to in paragraph 1(c) of Section I.A of Schedule 2 to this Agreement.

30. “Regional Project Coordination Committee” means each of the two committees referred to in Schedule 2, Section I, Part A.1(d) of this Agreement to be established by the Recipient, one for the mid-western development region based in Surkhet; and one for the far-western development region, based in Dipayal, each responsible for ensuring inter-agency cooperation and coordination, and integrated implementation in its respective region.

31. “Regional Project Support Unit” means each of the two units referred to in Schedule 2, Section I, Paragraph A.1(e) of this Agreement to be established by the Recipient, one for the mid-western development region based in Surkhet; and one for the far-western development region, based in Dipayal, each responsible for ensuring appropriate planning, implementation, monitoring and reporting of project activities in its respective region.

32. “Resettlement Action Plan” means a plan, acceptable to the World Bank, to be prepared in accordance with the resettlement policy framework set out in the Social Management Framework detailing specific actions, measures and policies designed to address loss of income, livelihoods or property associated with Project activities, as such plan may be amended from time to time with the prior written consent of the World Bank.

33. “Service Provider” means a person or organization selected and hired by the Recipient as provided for in Schedule 2, Section I, Paragraph C.2 of this Agreement, to assist potential and actual Beneficiary Communities with the
preparation, appraisal, and implementation of Sub-projects and with the process of applying for Small Grants, and to provide such other capacity building assistance, including training, as shall be requested by the relevant Beneficiaries and approved by the Recipient and the World Bank.

34. “Small Grant Agreement” means the agreement referred to in Schedule 2, Section I, Paragraph C.3 of this Agreement to be entered into between the Recipient and a Beneficiary Community providing for the financing of a Sub-project through a Small Grant. “Small Grant Agreement” includes all appendices, schedules and agreements supplemental to the Matching Grant Agreement.

35. “Small Grant” means a grant made or proposed to be made under Part 2 (a) or 3 (a) of the Project to a Beneficiary Community for the financing of a Sub-project (as hereinafter defined).

36. “Small Grants Operational Guidelines” means the guidelines to be prepared and adopted by the Recipient, satisfactory to the World Bank, containing inter alia: (i) the criteria, detailed rules and procedures for the selection and financing of Sub-projects; (ii) the procedures for community participation in the procurement of goods, works, and non-consulting services and in the selection of consultants’ services, (iii) the procedures for financial management and audits under the Sub-projects; (iv) the indicators to be used in the monitoring and evaluation of the Sub-projects; (v) the disbursement arrangements for Small Grants; (vi) the model form to be used for the preparation of Small Grant Agreements; and (vii) the Environmental Management Framework and the Social Management Framework; as said guidelines may be revised from time to time with the World Bank’s prior written approval.

37. “Social Management Framework” means the framework dated August 15, 2012, acceptable to the World Bank and publically disclosed in the Recipient’s territory on July 26, 2012, setting out the policies, procedures and institutional responsibilities for assessing and managing the potential social risks and impacts that may arise from Project activities, and including, inter alia, social screening guidelines for land acquisition and donation, a Gender Development Plan, a Vulnerable Communities Development Framework, a Grievance Redressal Mechanism, and specific procedures on public consultation and disclosure, as such framework may be amended from time to time with the prior agreement of the World Bank.


39. “Sub-project” means an investment that meets the criteria established in the Small Grants Operational Guidelines and to be implemented by a Beneficiary Community under Part 2 (a) or 3 (a) of the Project.
40. "Training and Workshops" means expenditures (other than those for consultants' services) to finance the reasonable cost of local and overseas training and workshops, the services of trainers and speakers, meeting rooms, materials, publications, travel costs, per diem allowances for trainees and participants, including, but not limited to, training to farmers, and study tours as agreed in writing with the World Bank.

41. "Vulnerable Communities Development Plan" means a plan, acceptable to the World Bank, to be prepared as provided for in the Vulnerable Community Development Framework detailing the specific actions, measures and policies identified by the Recipient to address any adverse effects on Vulnerable Communities associated with the implementation of the Project, and ensure culturally appropriate social and economic benefits for Vulnerable Communities affected by the Project, as such plan may be amended from time to time with the prior written agreement of the World Bank.

42. "Vulnerable Community Development Framework" means the Recipient's framework, acceptable to the World Bank, and publicly disclosed as part of the Social Management Framework setting out the agreed measures to: (a) involve Vulnerable Communities, through a process of free, prior and informed consultation, in the design and implementation of each sub-project in locations in which such people reside or make their living; (b) ensure that Vulnerable Communities affected by the sub-project/activity receive culturally appropriate social and economic benefits; and (c) when potential adverse effects on Vulnerable Communities are identified, those adverse effects are avoided, minimized, mitigated, or compensated for, in each case in a manner acceptable to the World Bank and the Recipient, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.

43. "Vulnerable Community" means a social group susceptible to being disadvantaged in the development process induced by the Project or any part thereof, including, but not limited to, ethnic minorities, indigenous groups, female headed households, the poor (based on the Recipient's poverty line), the disabled, the elderly and landless families.