

Final Guidelines for Sub- project Detailed Proposal (SDP) for Infrastructure Investment

A. BASIC INFORMATION

This Guideline has been prepared in pursuant with the CAA Article of Association (Clause 9 Cha 2007), Standard Operating Procedure (SOP, 2008) and Business Plan (BP, 2008) to facilitate the CAA members and Management Team to prepare and screen the project for Commercial Agriculture Fund (CAF) award.

1. Sub-project Detailed Proposal [SDP] is a detail description of an approved SCN in the format deigned by CAA. The SDP will:

- a] Allow CAA members/applicants to submit a proposal in a standard format for grant funding assessment, and
- b] Allow the CAA to manage the review process so as to identify the proposals those are worth pursuing to the level of CAF award.

The SDP is to be submitted to CAA Branch Office by DDC within the date specified in the letter inviting an SDP.

This guideline explains the Pro Forma of the SDP. The SDP is a full detailed proposal of the approved SCN that follows the specific guidelines and criteria prescribed in the CAA operating documents (such as CAA Business Plan and SOP) and needs to be detailed in a manner so that the concepts developed are self explanatory.

2. Preparation of SDP and Page Limit

The SDP should be prepared according to the format described in this guidelines and should include a completed logical framework [also known as a *log frame*] and necessary documents. It is advised to complete the log frame first, and then the text of the Detailed Proposal. Guidance for preparing the logframe is provided in **Annex 3**. The Detailed Proposal should not exceed 20 pages excluding the Appendices.

3. Priority Area

The SDP under the Community Infrastructure investment, generally, be within one of the following indicative areas as identified by CAA and announced in the call (Box 1). Priority will be given to civil works that link farmers more effectively to the market chain.

Box 1: Indicative List of Items under CAA Infrastructure Grants

- | | |
|--------|---|
| (i) | Construction of small collection centers, |
| (ii) | Small markets (haat bazaar), |
| (iii) | Ropeways/suspension bridges, |
| (iv) | Farm-to-market road construction, improvement including culverts and swing bridges, |
| (v) | Small-scale cold/cool storage, |
| (vi) | Storage facilities |
| (vii) | Small Irrigation and |
| (viii) | Other Thematic area added by the CAA Board |

The selected investments must have maximum demonstration impact on the community and other agriculture stakeholders. All community related investment supports will be provided to the targeted community through DDC and that must explicitly demonstrate how their proposed investments will enhance the agriculture value chain by strengthening linkages between farmer groups and markets.

4. Necessary Documents to be submitted with SDP

The SDP should be submitted along with all the documents required with neatly compiled in a paper file in the order as indicated in Table 1.

Table 1: Types and Number of Copies of Documents to be submitted with SDP

SN	Necessary documents	Copies Required
1.	Minute of the DDC with consensus decision to request the CAA for undertaking the project,	2
2.	Minute of the participating communities to undertake the project under cost-sharing arrangement with the DDC and CAF (at least 10 % either in kind or cash or both),	2
3.	Minute of the DDC/VDCs with commitment to finance at least 15% of the total cost estimate in the form of technical services, field appraisal, and assessment,	2
4.	If DDC has already entered into an agreement with other organizations and donor agencies to receive support to implement a part/component of the proposed project/investment, it will be necessary for the DDC to duly mention such an arrangement and include the copy of the agreement,	2
5.	If DDC or any other development organizations have undertaken feasibility studies in the past about the prospective community infrastructure project, it will submit its copy to the CAA together with the request,	2
6.	Approved version of SCN and its Log frame	2
7.	Dully filled Log frame of SDP (in the given format)	2
8.	Institutional Profile of the member institution and collaborating partner/s (if there is any) indicating Physical Facility, Human Resources, Financial Turnover etc.	2
9.	Commitment letter on free land contribution by relevant stakeholders (if land required)	2
10.	Detailed design and estimate of the proposed project	2

5. Call of SDP and grant limit

Generally, the grant applications will be assessed in a trimester basis to select and evaluate the SCN. The selected SCN members should submit the SDP within a month. However, if a particular SDP requiring additional time for submitting Environmental Impact Assessment (EIA) or any other technical documents may be allowed extra time. A DDC can submit SDP which would not exceeds the \$80,000 for single project and cumulative unit of \$320,000 during the project period.

6. Sub-project Implementation Duration

Generally, one year duration is given for the execution of the selected sub-projects. Extra time may be allowed by the CAA Board, in special circumstances, depending upon the nature of activities.

7. Eligible Expenditures and Contingency

Expenditures on service fees and expenditures on travel and incidental expenses charged at cost, incurred wholly and exclusively on an eligible service/travel usage of CAA approved facilities will be eligible for 75 percent grant support. Of the remaining 25 percent, DDC will have to finance 15 percent in the form of technical services, field appraisal and assessment while 10 percent of the investment cost has to be generated by the beneficiaries in the form of labour and in-kind contribution. Salaries for staff employed by the supported institution and pre-operative costs are not eligible, nor are recurrent costs such as royalty fees. No expenditures on fixed assets (such as procuring land) or computers can be supported. The land required to build different infrastructure has to be arranged by the community/DDC/VDCs. In exceptional cases, the land leasing cost for the project period (i.e. Dec 2012) may be approved by CAA Board for few infrastructures. *Contingency* is termed as unforeseen expenses of the project. The expense may accrue to the project due to external factors such as natural calamities and other unexpected social factors. The contingency cost is up to 5 percent of the total proposed budget.

8. SDP Selection Process and Criteria

On receipt of SDP, the Branch staff will make preliminary assessment of the sub project and will submit the proposal to District Review Committee (DRC) for pre-appraisal and decision. The DRC will review and evaluate the submitted SDP in line with the Sub-project Selection Criteria developed by CADP and approved by ADB and CAA Board and coverage of the project.

The demand driven activities submitted by CAA members for CAF financing must meet a set of criteria as prerequisite for further processing and approval. In this respect the detailed proposal must justify how their proposal contributes to the following:

- (i) Add value to agricultural products
- (ii) Benefit other stakeholders and community as a whole
- (iii) Improve the market chain efficiency
- (iv) Improve public good content
- (v) Have strong demonstration effects on the rest of the community.
- (vi) Have the potential to increase income and opportunities of the poor and /or other disadvantaged group such as women and low caste groups.
- (vii) Technically sound and has the potential to be financially viable, as requisites for sustainability.
- (viii) Have no environmental effects on the environment once implemented.

District Branch will determine if the proposed subprojects based on the documents and field verification:

- (i) satisfies the CAA subproject selection criteria (as mentioned above)
- (ii) segregate the type of investment and
- (iii) potentially viable based on described activities
- (iv) the stakeholders involved can initiate, develop and manage the proposed project with grant facility and
- (v) Sustainability of the project.

Following the field checking and discussion in the District Review Committee, CAA District Branch may decide to

- (i) Reject the SDP with written justification or ;
- (ii) Return it to the respective DDC for upgrading or completeness, or
- (iii) Forward the Concept Note to the CAA Main Office

Project recommended by the DRC shall be submitted to head office for subsequent appraisal and approval. The branch staff shall establish at this stage that the grant element is clearly understood by the applicants and are capable to arrange remaining fund requirement from the beneficiary members of the project prior the use of co financing facility.

Upon receive of the SDP from the District Branch; CAA Head Office the Appraisal Committee will review it following the General Guidelines prescribed in the SOP (Box 2)

Box 2: General Guideline for Sub-project Appraisal

- Whether the SDP meet the financial requirement.
- Whether the SDP elaborate how the proposed sub-project meets the selection criteria.
- Whether the SDP identify key participating actors and assess their capabilities.
- Whether the SDP quantify/describe benefits accruing to the stakeholders.
- Whether the SDP assess the technical viability of the proposed subproject.
- Whether the SDP assess the financial and economic viability of the proposed subproject.
- Whether the SDP assess the subproject's sustainability.

The Appraisal Panel will forward the finding of the appraisal to the Board for approval with its opinion and recommendation. All the SDP recommended by the Appraisal Panel are discussed in the Board and it may decide to:

- (i) Reject the application with justification;
- (ii) Return it to the respective DDC for upgrading or completeness,
- (iii) Approve the proposal with/without certain condition/s.

B. SDP FORMAT AND CONTENTS

The following table gives more explicit guidance on how to fill the particular SDP content in the boxes. The proposed format is available in the CAA Main Office Secretariat and CAA Branch Offices and can also be downloaded from the CAA website: <http://www.caa.com.np> . **The SDP must be presented in the formats as given below.**

Sub-Project Summary (Complete the Summary Box Based on detail description of the relevant Section)

1. Sub-Project Name and Priority Area	[Title which concisely matches with the CAA priority area [related to section B 1.1 (ii)] .
2. Name and Address of Member Institution	Name: Address: District: VDC/Municipality : Ward Number/Tole:
3. Implementing Agency	(Institution with overall responsibility for Sub-Project implementation (related to section B 2-1): Name: Address: Telephone: Fax: Email:
4. Collaborator[s]/Partners	Collaborating organizations /partners (related to section B 2.2): .
5. Project Location	Specify the District: VDC/Municipality: Ward Number/Tole:
6. Beneficiaries	Number and types of beneficiaries [related to section B 1.1 (iv)] . Primary: Secondary:
7. Total Cost of the Project	Total budget required to implement the full-term project (related to section B 3).
8. Cost sharing	CAF/CAA: Member: Others (Specify):
9 Duration of the Project	Total duration of implementation (related to Section B 7).

1. Sub-project Description

1.1 Sub-Project Background

It should include the i) Existing social, economic and marketing situation of the Sub-project area. ii) Name of the Sub-project (The CAA members should provide a title which concisely matches with the CAA priority area and describes the scope of the work (as specified in Section A3). The name generally should not be changed with the approved SCN unless CAA advises to do so). iii) Location/area iv) Project Beneficiaries (indicate primary and secondary beneficiaries ¹by number and economic and social classes).The beneficiaries are those who gain social, economic or environmental advantage from the technology, methodology or knowledge transfer activities of the work to be supported. They may be identified as, for example, the household, the gender, the ethnic group, the village community or the CAA members' .Try to quantify the number of beneficiaries of the project.

1.2 Justification

Short description on the extend of contribution that the Sub-project can make on i) poverty reduction (e.g. contribution in income increase, reduction in migration/seasonal earnings- indicate the present

¹ The primary beneficiaries are the beneficiaries having direct and immediate benefit from the project investment while the secondary beneficiaries are the indirect beneficiaries having benefit in later stage of the project.

level of average household income and expected income after project and trend of migration before and after project situation), ii) social inclusion and gender issues (e.g type of beneficiaries, women's role , iii) employment generation (number of persons expected to be employed during the project implementation and after the implementation) iv) agricultural commercialization (how the sub-project will facilitate the commercialization process?) v) contribution to CAA Project key outputs/outcome (Refer Annex 1) and Vi) targeted high value crops and facilitation to market linkage . vii) Mechanisms/processes for adding value in value chain (Describe the way different value chain actors (producers, traders, processors) are benefited by the sub-project). viii) Key stakeholders of the proposed project (based on the stakeholder analysis).

2. Sub- project implementation mechanism and processes

2.1 Implementing Agency

Implementing Agency (Institution with the overall responsibility for the application to CAA and the implementation of the sub-project).

2.2 Collaborating Partners/Organizations (Yes or No)

Indicate whether there are collaborating organizations /partners with whom agreements have been made prior to/during SCN submission. If, yes A letter of intent, which demonstrates the collaborators are an active part of the proposal should be included with the SDP.

2.3 Mechanism and Process

An outline of activities which are to be implemented in order to achieve the outputs of project. There should be an activity or group of activities associated with each output of the project, the activities defining the action strategy for accomplishing each output. It should also include any facilities or expertise already available to the CAA members which will be utilized in the implementation of the project. In addition, the location of specific components of the work, and any special resources required should be included. Present a Flow Diagram to show key components and activities.

2.4 Staffing

Existing and Proposed Types and Number of Staff Sub-project Implementation.

S.N	Staff Type (Designation)	Required Number (No- Number, PM- Person Month)					
		From the Organization		From Outside		Total	
		No	PM	No	PM	No	PM

3. Sub- Project cost and Sharing Arrangements

Estimation of Eligible Expenditures (refer Chapter A 7 for the explanation of eligible expenditure and contingency). A separate sheet on the number, types of materials and equipments, their unit price and total price has to be given. Similarly, the source of different materials to be used such as raw materials, packing materials labours (both skill and unskilled) etc also needs to be described.

3.1 Cost Estimation and CAA Quarterly Requirement

Proposed Activities	Unit	Quantity	Cost Contribution (Rs)					Quarterly CAA Grant Requirement				
			CAA	Members	Communitie	Other	Total	1	2	3	Total	
A. Capital investment												
Building/Sheds												
Technical Civil Works												
Machinery and Equipment												

6. Quality Control Mechanism and Process (Propose way of maintaining quality of the work/products)

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7. Implementation Schedule (Work description, date of implementation, milestones etc) How long will the project last? The maximum period is 12 months; there is no minimum, unless stated in the call for proposal.

S.N	Work Description	Month and year												
		1	2	3	4	5	6	7	-	-	-	-	12	
1														
2														
3														
4														

8. Operation, Repair and Maintenance Plan (Responsible agency person for operation, provision of repair and maintenance fund etc to be well spelled out).

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9. Risk Assessment and Mitigation Measures (Internal and External –Risk are negative statements of conditions, events or actions that would adversely affect or make it impossible to achieve the intended results. Both internal and external risks and mitigation measures needs to be discussed and proposed).

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10.Environmental Impact Assessment (Some of the project may also required to conduct Initial Environmental Examination (IEE) / Environmental Impact Assessment (EIA) according to Environmental Protection Act and Regulation (1997) to indicate effects of proposed projects on the physical, biological and socio-economic and cultural environment of the project area and propose required mitigation measures to minimize the possible hazards. Therefore, the status of environmental issues needs to be described as follows:

10.1 Need of IEE/EIA (Refer **Annex 2** for the type of Agricultural and Other projects requiring IEE/EIA).

Yes (if yes, submit IEE/EIA report as per Environmental Protection Regulation Format)

No (indicate the positive and negative environmental effect due to the project , even if a separate IEE/EIA report is not required as per **Annex 2**)

11. Result-based Management Framework (Logical Framework Analysis)

Describe the i) Project purpose (The purpose is the measurable immediate outcomes of the Project. This is also a final accomplishment of the project, and to which the project contributes. Indicate what you want to achieve overall, i.e. what implications you hope the project will have) and ii) Project Outputs (Results or deliverables of the Project that the Project can guarantee) .The logical framework is described, and guidelines for its construction are given in **Annex 3**.

Annexes

1. LOGICAL FRAMEWORK (IN THE FORMAT PROVIDED IN ANNEX 3)
2. ATTACHMENT OF DOCUMENTS (AS PRESCRIBED IN A 4)

FOR OFFICIAL USE ONLY (to be completed by CAA)

After receiving of the SDP, the CAA Branch offices are required to do the following in the prescribed formats:

A. Checking of documents submitted with SDP and mentioning of reasons (if not submitted)

SN	Necessary documents	Copies Included		Remarks/Reasons
		Yes	No	
1.	Minute of the DDC with consensus decision to request the CAA for undertaking the project,			
2.	Minute of the participating communities to undertake the project under cost-sharing arrangement with the DDC and CAF (at least 10 % either in kind or cash or both),			
3.	Minute of the DDC/VDCs with commitment to finance at least 15% of the total cost estimate in the form of technical services, field appraisal, and assessment,			
4.	If DDC has already entered into an agreement with other organizations and donor agencies to receive support to implement a part/component of the proposed project/investment, it will be necessary for the DDC to duly mention such an arrangement and include the copy of the agreement,			
5.	If DDC or any other development organizations have undertaken feasibility studies in the past about the prospective community infrastructure project, it will submit its copy to the CAA together with the request,			
6.	Approved version of SCN and its Log frame			
7.	Dully filled SDP (in the format given)			
8.	Dully filled Log frame of the SDP (in the format given)			
9.	Detailed design and estimate of the proposed project			
10.	Institutional Profile of the member institution and collaborating partner/s (if there is any) indicating Physical Facility, Human Resources, Financial Turnover etc.			
11.	Commitment letter on free land contribution by relevant stakeholders (if land required)			

B. Field Verification

Field Verification Date:
 Verification by: a) Name:
 Remarks of Field Visit:

b) Designation:

C. Decision of the DRC and its justification

After field verification, evaluate the SDP following the Sub-project Selection Criteria approved by ADB and CAA Board and Mark on of the following decision taken by DRC and forward the decision (whatever it may be) to the CAA Main Office and the concerning member.

Decision	Mark(✓)in the appropriate box	Justification/Reason
Reject the SDP with written justification ; or		
Return it to the respective members for upgrading or completeness, or		
Forward the SDP to the CAA Main Office		