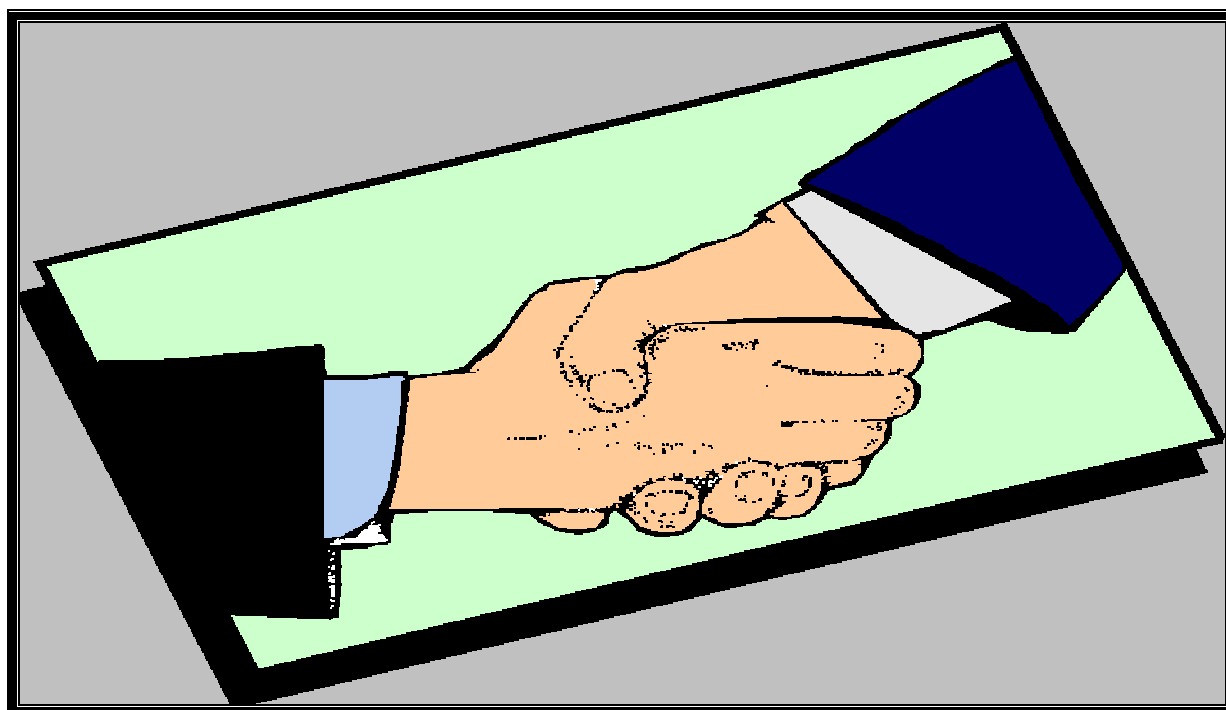


Commercial Agriculture Development Project
An Interaction Program about Partnership
with NGOs, Saptari
Proceeding
(June 13, 2008)



Organized by :

**Government of Nepal
Ministry of Agriculture and Cooperatives
Department of Agriculture**

Commercial Agriculture Development Project(CADP)

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Abbreviations

ADB	-	Asian Development Bank
AOA	-	Agreement on Agriculture
CADP	-	Commercial Agriculture Development Project
CAA	-	Commercial Agriculture Alliance
CAF	-	Commercial Agriculture Fund
DDC	-	District Development Committee
DADO	-	District Agriculture Development Office
DOA	-	Department of Agriculture
EDR	-	Eastern Development Region
GDP	-	Gross Domestic Product
HVC	-	High value Crop
JFPR	-	Japanese Fund for Poverty Reduction
LDO	-	Local Development Officer
MOAC	-	Ministry of Agriculture and Cooperatives
MOLD	-	Ministry of Local Development
NPC	-	National Planning Commission
PMU	-	Project Management Unit
PSC	-	Project Steering Committee
RD	-	Regional Director
SADO	-	Senior Agriculture Development Officer
SPS	-	Sanitary and Phyto-Sanitary
TBT	-	Technical Barriers for Trade
VDC	-	Village Development Committee
WTO	-	World Trade Organization

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CHAPTER-I

1. INTRODUCTION

1.1 Background

Agriculture is the backbone of the Nepalese economy which alone contributes about 38 percent of the Gross Domestic Product (GDP), and plays the lead role in the economic development of the country. In Nepal, agriculture is the main source of employment and livelihood where 65.6 percent of the people are still engaged in agriculture. However, due to the lack of modernization and commercialization in agriculture, farmers could not benefited as per their expectation.

The Government of Nepal (GON) and the Asian Development Bank (ADB/M) agreed to launch Commercial Agriculture Development Project (CADP) on 23 February, 2006. The project is designed to efficiently deliver development to poor and socially excluded people, through equitable and sustainable commercialization of agriculture. The project will directly generate employment opportunities to poor and marginal farmers and landless people by promoting high value crops (HVC) and their marketing, transporting from the point of production to storage and processing centers. CADP will also assist small scale community based market infrastructure development.

This project is implemented in 11 districts of Eastern Development Region (EDR) including 5 hill districts (Dhankuta, Ilam, Panchthar, Terahthum, and Udayapur), 5 Terai districts (Jhapa, Morang, Sunsari, Siraha, and Saptari) and one mountain district (Taplejung). The project beneficiaries will be the farmers (including subsistence, semi-commercial, commercial and women farmers) growing or interested in growing HVC such vegetables, fruits, and spices; and entrepreneurs located in the identified high potential areas of EDR.

Major outputs of the Commercial Agriculture Project will be increased public private investment, inclusion of poor and semi-commercial stakeholders in commercial agriculture, improved market information system and enhanced capacity of project partners in supporting farmers. The project will also cover disadvantaged and vulnerable people in EDR who have been excluded from the development process. The landless will be empowered through training to become employed in market-chain activities.

Mostly, farmers and traders lack of knowledge and skills about production and marketing technology of high value crops (HVC), transportation and marketing infrastructures. Despite of these constraints, EDR has extreme variation in the soil conditions, elevation, and temperature in the project districts, which provide greater scope for the production and marketing of wide range of agricultural commodities including fruits, vegetables and cereals.

The Commercial Agriculture Development Project is market oriented and demand driven. The project aims to accelerate the process of agriculture commercialization in EDR and help to increase employment opportunities in rural areas, value addition of agriculture products and rural income.

Objectives of the workshop:

- To describe the overview of the project among partners.
- To make aware about eligibility criteria to be a partner.
- To create awareness about roles and responsibilities of partners.

Date and Venue:

Program was conducted on June 13, 2008 in the Training hall of the DADO, Saptari.

Procedure:

- Arrival of Participants and Registration.
- Chairing of program : Mr Dilip Kumar Chapagain, LDO, Saptari.
- Chairing of Chief Guest : Mr. Mohan Bahadur Thapa, RD, RAD, Biratnagar.
- Welcome to the participants: Mr. Kamlesh Tiwari, Technical Officer, CADP.
- Papers presented by:
 - Ø Mr. Mohan Bahadur Thapa, RD, RAD, Biratnagar.
 - Ø Mr. Mr. Kamlesh Tiwari, Technical Officer, CADP.
 - Ø Mr. Raj Narayan Dev, Branch Manager, CAA, Saptari.
 - Ø Mr. Raj Kanta Jha, Plant Protection Officer, DADO, Saptari.
- **Few words :**
 - Ø Mr. Bibekananda Singh, RDMS, Saptari.
 - Ø Mr. Binod Chaudhary, Chairman, NGO Federation, Saptari
- **Vote of thanks and closing of the program :**
 - Ø Mr. Dilip Kumar Chapagain, LDO, Saptari.

CHAPTER – II

Summary of Presentation

Tiwari Kamlesh, Technical Officer, CADP: At a Glance, June 13, 2008

Mr. Tiwari, in his presentation, focused on introduction, overall objective, project command districts, proposed financing plan, expected impacts and outcomes, project components, value chain model and project implementation arrangement system of CADP.

He also explained that the project is under ADB grant, implemented by Department of Agriculture (DOA) for six years period. (July, 2007 to December, 2012) .The overall goal of the project is sustainably increasing the level of commercialization of agriculture in EDR. The specific objective is to reduce poverty in rural communities in 11 project districts through equitable and commercialization of agriculture.

The project investment cost is estimated as US \$ 24 million, out of which, the contribution of ADB, Nepal Govt., CAA, DDC, and FC is 18, 0.8, 4, 0.4, 0.5 million US \$ respectively. The expected impacts and outcomes of this project will be improved efficiency of marketing and processing of HVCs (vegetables, fruits, tea, and spices).

For the implementation of the project, **Project Management Unit** is established in Biratnagar, which prepares project annual work plan and project progress report; recruits the consultants and rewards the procurement contracts; supervises the project activities and performance of the partner NGOs and service providers and carries out the M& E of the project activities.

The major components of the project are:

1. Agriculture investment and management.
2. Inclusive development of stakeholders.
3. Market information dissemination.
4. Project partners capacity enhancement.
5. Project implementation support.

The MOAC is the executive agency, the CAA is the implementing agency for component -1 (commercial agriculture investment & management), and the DOA is implementing agency for the components 2, 3, 4, and 5.

Mr. Tiwari emphasized that, for efficient implementation of the program, each line–agency and other stakeholders should work as partners with beneficiaries (Farmers, Traders, and Processors). He concluded that "**The success of the project will depend upon level of the co-ordination among stakeholders, for which; regular interaction to understand each other roles, and responsibilities is must .**"

Mr. Mohan Bahadur Thapa,(Regional Director), Agriculture Development in EDR- At a Glance, June 13, 2008

Mr. Thapa, in his presentation highlighted the potential and constraints of commercialization in EDR and gave a overview about pocket areas, projects implementing in EDR, agricultural statistics, food balance sheet, agriculture program in EDR, potential crops according to geographical region, market infra-structures and National Mission for different crops in different districts.

Projects in EDR:

- Eastern Hill Development Project: Solukhumbu, Khotang, Bhojpur, Okhaldhunga.
- APPSP: Siraha, Udayapur, Okhaldhunga.
- Ultra Poor Project: Terahthum, Taplejung.

Market Infra-structures:

• Collection centers	-	37
• Wholesale markets	-	8
• Hat bazaar	-	577
• Cold stores	-	8
• Cellar stores	-	8
• Rustics stores	-	23

Potential Crops in EDR

- | | | |
|------------------------------|---|---|
| • Cardamom | - | Taplejung, Panchthar, Ilam, Sankhuwasabha, Terahthum, and Bhojpur |
| • Off-season vegetables | - | Dhankuta, Ilam, Panchthar, Terahthum, Sunsari, and Morang. |
| • Citrus | - | Dhankuta, Ilam, and Panchthar |
| • Areca nut and Black pepper | - | Jhapa |
| • Banana | - | Sunsari, Morang, and Jhapa |
| • Tea | - | Jhapa, Ilam, Panchthar, and Dhankuta |
| • Ginger | - | Dhankuta, Ilam, Terahthum and Panchthar |
| • Jute | - | Morang, Sunsari, and Jhapa. |

National Mission program in EDR:

- | | | |
|------------------|---|--------------------------------------|
| • Mission Fish | - | Siraha, Saptari, Sunsari, and Morang |
| • Mission Onion | - | Siraha, and Saptari |
| • Mission Citrus | - | Dhankuta, Ilam, and Panchthar |

Mr. Thapa expressed his views on project activities and co-ordination among different stakeholder in project district. Project is mainly concentrated in developing the small infrastructures such as collection centers, ropeways, suspension bridges, cold stores and improvement of farm to market link road. He added that the beauty of this project is to promote selected HVC in potential area of the project district. He added that due to availability of suitable climatic condition and socio-economic environment, EDR has greater scope for the commercialization of agriculture.

He ensured that he will be fully devoted to provide support in every step of project implementation. He also hoped that DADO of the project districts will provide required support during project implementation. RD suggested that the success of the project depends upon the co- ordination among different agencies involved in CADP.

Dev, Raj Narayan, (CAA), Branch Office, Saptari, Commercial Agriculture Alliance:

A Brief Introduction, June 13, 2008

Mr. Dev, in his presentation stated about, the introduction of Commercial Agriculture Alliance (CAA), its objectives, command areas, membership, Board of Directors; management of CAF, main tasks, procedure to be followed for submitting the application and approval of grant and roles and responsibilities of stakeholders and future course of actions of CAA.

CAA is not-for-Profit Company established in 29 September, 2006 for the implementation of **Agriculture Investment and Management** component-1 of CADP. The objectives of CAA are: Promoting commercial agriculture by developing an alliance between the commercial agricultural stakeholders; manage CAF; educate members about market linkage on production; transferring knowledge and skill about agricultural production technology and marketing to farmers and others stakeholders directly involved in the agriculture business; conducting awareness program and helping its members in protecting the intellectual property rights.

CAA will have a cost sharing Commercial Agriculture Fund (CAF) of US\$13.3 million. CAA will provide grant to its members for the development of community based infrastructures such as collection centers, suspension bridges, ropeways, farm to market road improvement, cold stores and so on. It will also provide fund for the non-infrastructure activities such as, production and market promotion of High Value Crops (HVCs) in the project area. The fund for community based infrastructures is mobilized through District Development Committee and for non-infrastructure activities through farmers groups, agricultural cooperatives, processors and traders of agricultural commodities. A maximum of \$ 80,000 will be provided for each community-based market infrastructure intervention and a maximum of \$ 20,000 for each non-infrastructure investment. The allocation of CAF to specific districts will vary according to need. Each general member can obtain a maximum of \$ 40,000 on cumulative basis, and each DDC a maximum of \$ 320,000 on cumulative basis.

Commercial Agriculture Alliance will implement its program in 11 districts of Eastern Development Region. CAA will have two types of members i.e. general and nominated. General members comprise farmer's groups, cooperatives, traders and processors whereas representatives from Ministry of Agriculture and Cooperatives, Ministry of Local Development, District Development Committee of 11 project districts, and Agro Enterprise Centre of Federation of Nepalese Chamber of Commerce and Industries(FNCCI) are the nominated members of CAA. CAA will establish its central office at Biratnagar and branch offices at district headquarter of 11 project districts. The stakeholders should play their roles in creating awareness at local level, selection of appropriate projects, recommendation of grant for feasible projects and regular monitoring and evaluation of the projects.

The CAA is established as a not for - profit company with definite objectives and well defined roles and responsibilities. Commercial Agriculture Fund that will have to manage by CAA, will be allocated for the commercialization of agriculture in the Eastern Development Region.

Activities of NGOs Involved in Agriculture Development and their Partnership and Coordination with DADO, Mr. Raj Kanta Jha, Plant Protection Officer, DADO, Saptari

Mr. Jha presented his paper about brief description of activities going on through partnership with different NGOs, potentials High value crops, and problems faced by DADO.

Activities conducted by DADO through partnership with NGOs :

- § Seed Kit distribution of different crops
- § Training on different subjects
- § Bee-hive distribution
- § Farmers Tour
- § DADO also help to CAA's member for proposal writing and to prepare legal document of farmers group, cooperatives.

Potential High Value Crop :

- § Mango
- § Onion
- § Potato
- § Off-Seasonal Vegetable

Brief Introduction of district :

Background:

- Saptari district is one of the most potential district for commercial agriculture.
- The population of the district is 577,438
- 78 percent engaged in agriculture activities.
- Total area 125056 hectare
- 63.6 percent area is under cultivation.

Existing Situation :

- Major cereal crops - rice and wheat
- Major cash crops - onion, off- season vegetables.
- Fruit - Mango

Existing Problems :

- Challenges of food security for emerging population.
- Insufficient market infrastructure.
- Low coverage of agriculture program in the remote area of the district.

Tiwari Kamlesh, Technical Officer, CADP: Partnership with NGO, June 13, 2008

Mr. Tiwari, in his presentation , focused on the objective of Partnership, role of partner NGOs, Role of CADP and the basic eligibility criteria for partner NGO selection.

Objective of Partnership :

To assist subsistence and semi commercial stakeholders- Farmers, Traders and Processors (FTP)- who are not eligible for CAA membership but have potential to develop such eligibility if they receive support to overcome their difficulties.

Partnership Why ?

To ensure :

- § that partner NGOs are well established and accepted by local communities
- § that partner NGOs have substantial knowledge of local circumstances
- § efficient use of local resources and experiences
- § better implementation of program
- § clear roles and responsibilities
- § proper identification of target groups
- § quick rapport building

Role of Partner NGOs :

- § Farmer group formation and strengthening
- § Community mobilization
- § Social inclusion activities
- § Income generation activities
- § Monitoring and evaluation
- § Reporting
- § Others as specified in the partnership agreement depending up on the needs of :
 - Ø Target group
 - Ø Capacity of the partner NGOs and
 - Ø Commercial agriculture focus of the project

Role of CADP :

- PMU provides orientation for NGOs
- PMU place advertisements in local newspapers and informal networks calling application.
- NGO selection
- PMU provides training as required and according to the emerging needs of the work plan
- PMU monitor NGO work plan implementation for commitment, quality of work, and relationship with the community.

Basic Eligibility Criteria for Partner NGO Selection :

- Appropriately registered, preferably in EDR district and have legal status
- Operated continuously for at least 2 years, preferably in the project districts
- Record of community mobilization, social inclusion with similar target groups and in similar areas
- Experience or demonstrable competence of working with locally based counterpart NGOs and acceptance of the communities
- Demonstrate the quality of their work, commitment to programs, and relationships with the community
- Annual audited reports and accounts for the last 2 years
- Basic capability in management and accounting
- Membership in related association

Basis for Selection of Partner NGOs :

- General and overall experiences
- Institutional detail
 - Ø Physical facilities
 - Ø Key human resources with their qualifications
 - Ø Experience in required area of expertise
 - Ø Annual turn-over
 - Ø Account management system

Few words of Remarks :**Mr. Binod Chaudhary, Chairman, NGO Federation, Saptari**

Mr. Chaudhari raised some of curiosities about partnership, such as :

- § How many NGOs will be selected as partner ?
- § Why manpower were selected in contract basis ?
- § What roles of community in infrastructure development investment ?
- § What facilities are provided to NGOs instead of working as partner ?
- § How poor community will get membership of CAA?
- § How other VDC will get opportunity to involve in CADP program, where JFPR will not cover ?

(All above mentioned issues were answered by Mr. Tiwari, Technical Officer, CADP.)

Mr. Bibekananda Singh, Vice Chairman, MDMS, Saptari

- § Mr. Singh, welcomed to CADP in the Saptari district
- § He expressed vote of thanks to CADP to provide opportunity of NGOs to be work as partner.
- § He expressed his view that subsistence farming system can not improve living standard of the farmers so commercialization is must.
- § He also requested to include the cereal crops as commercial crops, specially in Terai district.
- § He wishes the grand success to CADP.
- § He also suggested that project should be implemented in transparent way.

Chairman, Mr. Dilip Chapagain, LDO, DDC, Saptari

- § He expressed vote of thank to CADP and all the participants for providing the opportunity to be a chairperson and for successful completion of workshop in his chairmanship.
- § Mr. Chapagain requested to the local NGOs to utilize this opportunity by working with CADP in partnership for betterment of living status of the poor community.
- § He committed that DDC will play vital role in each walks of project implementation.
- § He also expressed his view that each stakeholders should work as team approach.
- § He suggested that monitoring and evaluation of the project activities should be done through participatory approach by each stakeholders.
- § He hoped that project will contribute to uplift the status of poor people if each stakeholders will play their role and responsibilities honestly.

Appendix-1: Program schedule.

Commercial Agriculture Development Project An Interaction Program with NGO, Saptari

Date : June 13, 2008

Time : 10:30- 1:35

Venue : Training hall, District Agriculture Development Office, Saptari.

Time	Activities	Remarks
10.30-11.00	Arrival of Participants and Registration	
11.00-11.15	Chairing of the Program : Mr. Dilip Kumar Chapagain, LDO, Saptari. Chairing of the other guests.	
11:15-11:35	Welcome to the Participants and Brief Introduction of CADP: Mr. Kamlesh Tiwari, Technical Officer, CADP	
11:35-1150	Agriculture Development in EDR- At a Glance: Mr. Mohan Bahadur Thapa, RD, RAD, Biratnagar	
11:50-12:05	Brief Introduction of Commercial Agriculture Alliance Mr. Raj Narayan Dev, Branch Manager, CAA, Saptari.	
12:05-12:20	Activities of NGOs Involved in Agriculture Development and their Partnership and Coordination with DADO, Mr. Raj Kanta Jha, Act. SADO, DADO, Saptari	
12:20-12:35	Partnership with NGO, Kamlesh Tiwari, Technical Officer, CADP.	
12:35-1:05	Discussion	
	Few Words	
1:05-1:20	Ø Binod Chaudhary, Chairman, NGO Federation, Siraha Ø Mr. Bibekananda Singh, RDMS, Saptari	
1:20-1:35	Vote of thanks and closing of the program : Mr. Dilip Kumar Chapagain, LDO, Saptari	

Name list of Participants :

S.N	Participant	Designation	Address/Office	Remarks
1	Mr. Mohan Bahadur Thapa	RD	RAD, Biratnagar	
2	Mr. Dilip Kumar Chapagain	LDO	DDC, Saptari	
3	Mr. Raj Kanta Jha	PPO	DADO, Saptari	
4	Mr. Raj Narayan Dev	BM	CAA, Saptari	
5	Mr. Kamalesh Tiwari	Technical Officer	CADP, Brt.	
6	Mr. Tej Narayan Yadav	M&E Officer	CAA, Saptari	
7	Mr. Govinda Sunar	Complaine Officer	CAA, Biratnagar	
8	Mr. Rakesh Kumar Singh	Fishery Officer	DADO, Saptari	
9	Mrs. Rani Jha	Representive	MDMS	
10	Mr. Riddi Lal Chaudhary	Chairman	BSK, Saptari	
11	Mrs. Ram Kumari Chaudhary	Member	BSK, Saptari	
12	Mr. Ram Nanda Chaudhary	Chairman	SDAGA, Saptari	
13	Mrs. Susila Mandal	Member	SRNSS, Saptari	
14	Mr. Nanda Kumar Nagarwar	Secretary	KBUCK, Saptari	
15	Mr. Siva Charan Mandal	Chairman	DGBN, Saptari	
16	Mr. Ganesi Prasad Chaudhary	Chairman	MSDC, Saptari	
17	Mr. vawani Prasad Chaudhary	Chairman	SAGBK, Sitapur	
18	Mr. Bibekananda Singh	Chairman	RDMS, Nepal	
19	Mr. Amar Nath Chaudhary	Member	NBS, Saptari	
20	Mr. Rambilas Yadav	Chairman	VBUSK, Saptari	
21	Mr. Binod Prasad Yadav	Representive	GKS, Saptari	
22	Mr. Shakti Chaudhary	Officer	CEDC	
23	Mr. Biseshwor Prasad Chaudhary	Chairman	SJUS, Saptari	
24	Mr. Dilip Kumar Yadav	Chairman	NKSK, Saptari	
25	Mr. Lalit Kumar Sardar	Secretary	DSS	
26	Mr. Hajari Ram	Chairman	NDJM, Saptari	
27	Mr. Radha Ballav Karna	Chairman	CS, Saptari	
28	Mr. Sonai Das	Chairman	SBK	
29	Mr. Binod Chaudhari	Chairman	NGO Federation	
30	Mr. Aklesowar Chaudhary	Member	NJSBK, Saptari	
31	Mr. Dhurba Dev	Chairman	Save the Saptari	
32	Mr. Kishore Kumar Yadav	Chairman	USS, Nepal	
33	Mr. Pramod Chalise	Chairman	RPR&DUS	
34	Mr. Uttam Acharya	Secretary	SKS, Saptari	
35	Mr. Ramananda Lekhi	Chairman	SKP, Saptari	
36	Mr. Agam Sherstha	Member	AN, Saptari	
37	Mr. Manoj Dev	Chairman	GKSS	
38	Mr. Punya Prasad Yadav	Chairman	MBN, Saptari	
39	Mr. Shyam Kanta Chaudhary	Act. Director	MDB	
40	Mr. Surendra Prasad Yadav	Chairman	GSSF&G	
41	Mr. Bijay Kumar Chaudhary	Member	SSM, Saptari	
42	Mr. Bholu Raut	Chairman	BRJK, Saptari	
43	Miss. Durga Odari	C. Operator	CADP	
44	Mr. Mahesh Mahara	C. Operator	CADP	
65	Mr. Ramesh Khatiwada	Driver	CAA	
66	Mrs. Sulochana Rasaily	Messenger	CADP	

45	Mr. Riku Kumar Raut	Member	BRJK, Saptari	
46	Mr. Prem Nath Mahato	JT	DADO, Saptari	
47	Mr. Surya Narayan Adhikari	JT	DADO, Saptari	
48	Mr. Subba Lal Mandal	JT	DADO, Saptari	
49	Mr. Sundhar Jha	District Coordinator	JFPR, Biratnagar	
50	Mr. Kul Prasad Dawadi	District Coordinator	JFPR, Sunsari	
51	Mr. Rikesh Kumar Singh	BDO	DADO, Saptari	
52	Miss. Sobita Mainali	SMO	JFPR, Saptari	
53	Mr. Shrawan Kumar Dev	Chief Reporter		
54	Mr. Ganga Prasad Shah	Reporter	Sagarmatha Awaj	
55	Mr. Yogendra Yadav	Driver	DDC, Saptari	
56	Mr. Bindeshwor Yadav	SP	DADO, Saptari	
57	Mr. Bechan Mali	SP	DADO, Saptari	
58	Mr. Mahi Narayan Yadav	JTA	DADO, Saptari	
59	Mr. Chote Lal Yadav	JT	DADO, Saptari	
60	Mr. Vogandra Yadav	JT	DADO, Saptari	
61	Mr. Bilot Yadav	Driver	RAD, Biratnagar	
62	Mr. Ram Chanadra Chaudhary	Member	GBSS, Saptari	
63	Mr. Devendra Yadav	Representative	GSS, Saptari	
64	Mr. Hari Narayan Mahato	Member	SKSK, Saptari	