

Project for Agriculture Commercialization and Trade (PACT)

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Introduction

- Project Duration: 6 Years (August 2009 to June 2015)
- EA: MOAC
- Donor agency: World Bank/IDA (Grant 47% and Credit 53%)

Overall Objective

To improve the competitiveness of smallholder farmers and the agribusiness sector in selected commodity value chains in 25 districts.

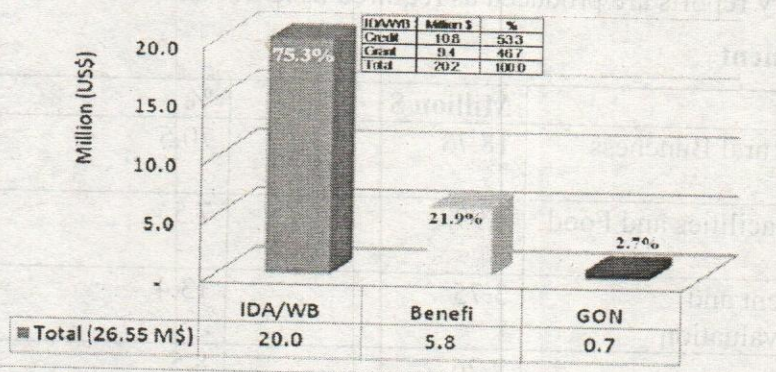
Strategies

1. Helping FG and cooperatives engage in profitable market-oriented production and improved access to markets, and linkages to agribusiness;
2. Creating and strengthening industry-wide partnerships along the value chain (linkages between producers, traders, processors, and other stakeholders);
3. Reducing existing obstacles to agriculture and food trade (SPS and food-quality domestic and international standards)

Project Districts

Region	Number	District
CDR	11	Bara, Parsa, Rautahat, Dhanusha, Sarlahi, Mahottari, Chitwan, Dhading, Kathmandu, Lalitpur, Kavre
WDR	8	Kapilvastu, Rupandehi, Nawalparasi, Palpa, Syangya, Kaski, Tanahu, Lamjung
MWDR	4	Dang, Surkhet, Banke, Bardiya
FWDR	2	Kailali, Kanchanpur
Total	25	Hill = 10; Terai = 25

Proposed Financing Plan



Project Components

¹ Project Director, Project for Agriculture Commercialization and Trade (PACT)

1. Agriculture and Rural Business Development
2. Support for Sanitary and Phytosanitary Facilities and Food Quality Management
3. Project Management and Monitoring and Evaluation

Overall Expected Impact and Outcome

- i. Productivity of the selected commodity value chains increases by 25%
- ii. Volume of marketable agricultural products passing through the value chains increase by 30%
- iii. Sales of commodities in the value chains supported by the project increase by 25%

Expected Impact and Outcome: Component 1

- i. By year 3, at least 55 new partnerships involving FG and agribusinesses have received competitive grants.
- ii. EOP, at least 30% of the sub-projects supported have achieved their objectives.
- iii. EOP, FOs and other actors that have completed their subprojects and have created linkages with other value chain participants have increased their price terms by 10%.
- iv. EOP, at least 10% of the production from the supported partnerships is exported

Expected Impact and Outcome: Component 2

- i. At least 25% of agribusiness registered and active in the food industry producing for domestic and international markets have improved quality standards
- ii. Number of samples submitted for analysis increased by 30%

Expected Impact and Outcome: Component 3

- i. By effectiveness, the core PMT designated.
- ii. Three months after effectiveness, the PMT and the TSG for Grants program is fully operational.
- iii. Six months after effectiveness, the facilitation firm, M & E System and MIS have been established and have produced the first semi-annual report.
- iv. Six months after effectiveness, financial management system has been established and has produced the first semi-annual report.
- v. Regular satisfactory reports are produced as required by GON and the Bank.

Project Cost, by Component

SN	Component	Million \$	%
1	Agricultural and Rural Business Development	18.73	70.5
2	Support for SPS Facilities and Food Quality Standard	1.99	7.5
3	Project Management and Monitoring and Evaluation	3.75	13.4
4	Contingencies	2.26	8.5
	Total	26.55	100

Major Programs, by Component

1. Agriculture and Rural Business Development
 - (A) Pre-investment Advisory Support
 1. Preparation of Value Chain Development Plans
 2. Training, Workshops, TA, Advisory Services
 - (B) Technology Support and Market Infrastructure
 1. Technology Grants
 2. Infrastructure Grants
 3. Resettlement and Rehabilitation
 - (C) Agribusiness Support
 1. Agribusiness Grants
 2. Resettlement and Rehabilitation

2. Support for SPS Facilities and Food Quality Mgt
 - (A) Support for Laboratories
 1. Lab equipment for Central food lab, Veterinary, Plant quarantine lab
 - (B) Support for Surveillance Monitoring Program
 1. Equipment, Transport, Supplies, training, Monitoring etc.
 - (C) Support for Food Quality and Safety Management System
 1. Controlling hazards at value chain, Good agri and vet practice, support for hazard analysis and control point

3. Project Management and M&E
 1. Project Management Team- Overall project management, M&E and reporting.
 2. Technical Support Group- Assisting PMT, functioning competitive grant, M&E and MIS.
 3. Public Awareness Company to manage local and national level awareness activities. Project Management Team- Overall project management, M&E and reporting.
 4. Technical Support Group- Assisting PMT, functioning competitive grant, M&E and MIS.
 5. Public Awareness Company to manage local and national level awareness activities.

Institutional and implementation arrangements

1. National Project Steering Committee (NPSC), chaired by the Secretary of MOAC- Meeting every 3 month.
Representatives:
 - Ministry of Finance (MOF), Ministry of Local Development (MLD), Ministry of Industry (MOI), Ministry of Commerce and Supplies (MOCS), Ministry of Agriculture and Cooperatives (MAOC), National Planning Commission (NPC), NARC, FNCCI/AEC, Farmers-3 (women farmer's association-1), Consumer forums-1.
 - Project Director – Member Secretary

2. Project Management Team: PD, DPD, M&E Officer, Accounts Officer, Procurement Officer, and Accountant.
3. Technical Support Group (firm)- Value Chain Development Officer, Financial Management Specialist, Procurement Specialist, M&E specialist

