

Commercial Agriculture Development Project: Overview and Present Status

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Project Brief

- Project duration: 6 Years (Effective on 6 Aug 2007)
- Executive Agency: MOAC
- Implementing Agency :
- DOA
- CAA
- Donor Agency: ADB [Grant No.0063-NEP(SF)]

Objective

To reduce poverty in rural communities of the 11 project districts through equitable and sustainable commercialization of agriculture.

Expected Outcome

- i. Employment in rural areas;
- ii. Value added of agricultural products;
- iii. Rural income.

Project Districts

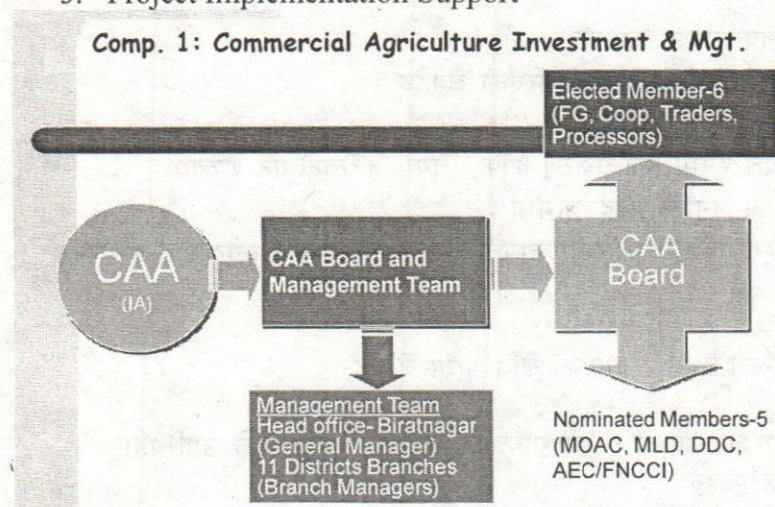
Mountain: Taplejung

Hill : Dhankuta, Ilam, Panchthar, Terhathum, Udayapur

Terai : Jhapa, Morang, Saptari, Siraha and Sunsari

Project Components

1. Commercial Agriculture Investment and Management
2. Inclusive Development of Stakeholders
3. Market Information Dissemination
4. Project Partners Capacity Enhancement
5. Project Implementation Support



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• **Commercial Agriculture Investment and Management1.**

1.1 Infrastructure Investments (Eligible: DDC)

Activities: Linking farmers to the market chain-collection centers, markets, ropeways, suspension bridges, farm-to-market roads, culverts, cold storage, water supply.

Cost Sharing:

- CAF 75%
- FG 10% (Labor and kind)
- DDC 15%

1.2 Non-infrastructure Investments (Eligible: FG, Cooperatives, Traders, Processors)

Activities: Group promotion (HVCs & Emerging Crops), IPM, marm Machinery, Green house, Processing, Lab equipment, Market research, Trade and fairs, Networking, Product labeling, IPR, Skill development training etc.

Cost Sharing:

- CAF 50% (Max)

Investment Ceiling

Sub-sector	For one sub-sector	For each
Infrastructure	Max. US \$ 80,000	Max. US \$ 320,000 - DDC
Non-infrastructure	Max. US\$20,000	Max. US\$ 40,000 General members -cumulative

Community based Infrastructure Sup Projects

SN	District	Road	Market Centre	Godown	Collection Centre	Total
1	Jhapa		3			3
2	Morang	1	1	1		3
3	Sunsari	1	1		1	3
4	Saptari	1	1			2
4	Sirahaq		1			1
5	Udayapur	2	2			4
5	Dhankuta	2				2
6	Terathum	1				1
7	Taplejung	3				3
8	Ilam	2				2
9	Panchthar	1				1
	Total	14	9	1	1	25

Cost sharing of Infrastructure Sub Project

Total Cost	Cost Contribution		
	CAA	DDC	Community
NRs 92.5 million	68.0 %	15.0 %	17.0 %

Non Infrastructure Sub Projects

S N	Nature of sub-project	Number of sub project by District											Total
		Morang	Jhapa	Sunsari	Saptari	Sirha	Udaypur	Dhankuta	Terathum	Taplejung	Ilam	Pachatha	
1	Vegetable Production	4	2	6	4	1	9	3	2	7	1		39
2	Agro Equipment	2			2								4
3	Farming technology				2								2
4	Fruit Production		1		1		1						3
5	Processing unit	1		3		1	2	1		1	1		10
6	Marketing		1						1				2
7	Honey Production	1	1						1				3
8	Spice Processing		1			1					1		3
9	Organic Tea Promotion	1					1					2	4
10	Storage Capacity			1									1
11	Packaging		1							1			2
12	Nursery					1				1			2
13	Irrigation											1	1
14	Other	1	1										2
	Total	10	8	10	9	4	13	4	4	10	3	3	78

Cost sharing of Non Infrastructure Sub Project

Cost Contribution	
CAF Contribution	Members Contribution
40.0%	60.0 %

- **Inclusive Development of Stakeholders**

2.1 Development of subsistence agricultural stakeholders:
identification of HVC, production areas & marketing points, vocational & technical training, capacity building, networking of FGs, skill-based training to landless

2.2 Enhancement of semi-commercial agricultural stakeholders:

Strengthen existing semi commercial agricultural stakeholder groups, build market chain awareness and linkages, upgrade processing technology, train on entrepreneurship

- 2.3 Promotion of social inclusiveness among commercial agricultural stakeholders
Through NGOs service for 2 years: Recruited 22 NGOs (1 for semi-commercial & 1 for subsistence in each district)

3. Market Information and Dissemination

- 3.1 Development/installation and training in MIS for FGs
- 3.2 Networking these information to other MIS
- 3.3 Collecting and disseminating information on demand and prices at various markets including B'desh and India

4. Project Partners Capacity Enhancement

Agriculture Stakeholders:

Producers, processors, traders

Project partners: DDCs, NGOs, DOA, District staff and CAA.

Major Issues

- Sustainability of CAA
- Growing expectations (membership, grants)
- Limited knowledge on post harvest technology prompts submit sub-project proposal for production activities only.
- Poor backward and forward linkages proposed by traders and processors.
- Role of DADO