



Nepal: Support for Value Chain Development Under the Nepal Agriculture Development Strategy

Project Name	Support for Value Chain Development Under the Nepal Agriculture Development Strategy								
Project Number	48218-007								
Country	Nepal								
Project Status	Active								
Project Type / Modality of Assistance	Technical Assistance								
Source of Funding / Amount	<table border="1"><tr><td>TA 9444-NEP: Support for Value Chain Development under the Nepal Agriculture Development Strategy</td><td></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 225,000.00</td></tr><tr><td>TA: Support for Value Chain Development Under the Nepal Agriculture Development Strategy</td><td></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 500,000.00</td></tr></table>	TA 9444-NEP: Support for Value Chain Development under the Nepal Agriculture Development Strategy		Technical Assistance Special Fund	US\$ 225,000.00	TA: Support for Value Chain Development Under the Nepal Agriculture Development Strategy		Technical Assistance Special Fund	US\$ 500,000.00
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Strategic Agendas	Inclusive economic growth Regional integration								
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development								
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development - Agricultural production - Agro-industry, marketing, and trade - Livestock - Rural market infrastructure								
Gender Equity and Mainstreaming	Some gender elements								
Description	The small-scale TA will conduct scoping of the proposed loan, Nepal: Targeted Value Chain Development Project (TVCDP), expected to consist of three major subprojects: (i) value chain development along selected geographic corridors and their commodities;(ii) organizational development of the provincial and municipal governments for the agriculture sector; and (iii) improved access to finance by agribusinesses. The small-scale TA will focus on the first two subprojects and provide inputs to the formulation of the TVCDP concept paper.								
Project Rationale and Linkage to Country/Regional Strategy	<p>ADB approved in July 2014 the concept paper for Nepal: Agriculture Sector Development Program (ASDP) for the total investment amount of \$160 million, of which \$40 million would be funded by the ADB, and the remainder by the government and other development partners. In the same month, a project preparatory TA was approved to develop a project design and conduct a feasibility study for the three ASDP components of: (i) rural road improvement; (ii) investments in markets and value chain development; and (iii) institutional and policy reforms to implement the national sector strategy. Ensuing consultations with the government on the project preparatory TA findings and the ASDP scope resulted in the following changes in early 2017:</p> <p>(i) The financing modality of the ASDP will be changed from a sector development program to a stand-alone project loan, in view of the governments decision to allocate its own resources to finance ADS-related policy reforms (the third component).</p> <p>(ii) The ASDP will be split into two stand-alone projects: Rural Connectivity Improvement Project (48218-003) for the first component, and Targeted Value Chain Development Project (TVCDP) for the second component.</p> <p>Accordingly, TVCDP is included in the country operations business plan (COBP), 2018-2020 for Nepal for Board consideration in for \$70 million as ADBs financing, together with a piggy-backed transaction TA to support project implementation.</p> <p>The TVCDP concept paper is required to be reformulated for approval in 2018. The revised concept paper will not only integrate updated analyses on the corridors and commodity value chains but also adequately ensure complementarity with other major government-led, ADB-financed, and development partner-supported agriculture and rural connectivity initiatives which have emerged since the ASDP concept approval. The small-scale knowledge and support TA for research and development has become necessary to achieve the objectives of redesigning the TVCDP project scope, and revising the project concept in accordance with the new loan processing schedule.</p>								
Impact	Prosperous commercialization achieved in Nepal's agriculture sector.								

Project Outcome	
Description of Outcome	A well-informed concept on Targeted Value Chain Development Project prepared.
Progress Toward Outcome	Consultants have been recruited and activities are ongoing.
Implementation Progress	
Description of Project Outputs	Geographic corridors with commodities and their markets identified. Preliminary analysis of the Targeted Value Chain Development Project completed. Terms of Reference for detailed program design developed.
Status of Implementation Progress (Outputs, Activities, and Issues)	Consultants have been recruited and activities are ongoing.
Geographical Location	Nation-wide
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	Farmers were involved throughout the Project. They will participate in project preparation, implementation, and monitoring. During project preparation, small-scale farmers will be engaged in participatory rural appraisal to provide further details for the Project design. Separate focus group discussions will be held with the marginalized, especially the female farmers as well as SCs and STs, to identify their needs and tailor the design so that they can also benefit from the Project.
During Project Implementation	Project activities involve participation of farmer producer companies and farmer groups.
Business Opportunities	
Consulting Services	The TA will provide expertise in (i) agribusiness and value chain, (ii) agricultural economics, (iii) agricultural trade and standards, (iv) marketing and business development, (v) agricultural sciences, (vi) rural infrastructure, (vii) economics/finance, and (viii) governance and institutional development. A total of 14.5 person-months of consulting services will be provided, of which 6.5 person-months will be international and 8.0 person-months will be national.
Procurement	N/A
Responsible ADB Officer	Sunayama, Sonoko
Responsible ADB Department	South Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SARD
Executing Agencies	<i>Ministry of Agricultural Development Singha Durbar, Kathmandu, Nepal</i>
Timetable	
Concept Clearance	-
Fact Finding	06 Nov 2017 to 12 Nov 2017
MRM	-
Approval	05 Dec 2017
Last Review Mission	-
Last PDS Update	24 Sep 2018

TA 9444-NEP

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Dec 2017	-	05 Dec 2017	31 Jan 2019	30 Jun 2019	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	05 Dec 2017	101,829.82

Project Page <https://www.adb.org/projects/48218-007/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48218-007>

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