



Nepal: Food Safety and Agriculture Commercialization Program

Project Name	Food Safety and Agriculture Commercialization Program	
Project Number	48218-010	
Country	Nepal	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan Technical Assistance	
Source of Funding / Amount	Loan: Food Safety and Agriculture Commercialization Program	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 50.00 million
	TA: Food Safety and Agriculture Commercialization Program	
	Technical Assistance Special Fund	US\$ 500,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The program is aligned with ADB's Strategy 2030, specifically the operational priorities on promoting rural development and food security and strengthening governance and institutional capacity. Moreover, the government's 14th periodic plan (FY2016/2017 FY2018/2019), 15th five-year plan (FY2019/2020 FY2023/2024), and Envisioning Nepal 2030 have highlighted the modernization and commercialization of agriculture sector as a national development priority in the country's aspiration to attain middle-income status by 2030. The ADB-assisted Agriculture Development Strategy (ADS), 2015 -2035 provides the government's 20-year strategic direction for the agriculture sector in Nepal, with a vision for a self-reliant, sustainable, competitive, and inclusive agriculture sector. The program aligns well with the four ADS outcomes: (i) improved governance, with measures such as improving the credibility of policy commitment; (ii) higher productivity, with activities for improving quality and availability of key inputs and extension services; (iii) profitable commercialization, with measures such as improving value-chain linkages; and (iv) increased competitiveness through increase in agricultural exports, and food safety and security, among others.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Weak food quality testing and monitoring system is affecting trade and public health. Despite its membership of the World Trade Organization, Nepal has not been able to adopt all international standards on sanitary and phytosanitary measures due to the lack of adequate resources. India is a major trade partner but the plant quarantine laboratories at check-posts bordering India do not satisfy the prerequisites for mutual recognition agreement with India, which impedes exports. Exporters face significant delays because they are subject to multiple tests on both sides of the border. On similar lines, the three central veterinary laboratories, and food safety laboratories under the Ministry of Agriculture and Livestock Development (MOALD) lack sufficient resources and international accreditation. The program will support the government in completing prerequisites for international certification in select testing units among these laboratories. Among policy and regulatory interventions, a new Pesticide Management Bill will replace the old Pesticide Management Act 1991 to further expand the definition of pesticides and regulate their production, sale, storage, and transportation, and effective surveillance for discouraging the overuse of harmful chemicals by farmers.</p>	
Impact	Profitable commercialization accelerated in the agriculture sector (Agriculture Development Strategy, 2015-2035)	
Outcome	Nepal's competitiveness in commercial agriculture improved	
Outputs	<p>Agriculture commercialization promoted Food safety and quality monitoring systems improved Institutional capacity strengthened</p>	
Geographical Location	Nation-wide, Kathmandu	
Safeguard Categories		
Environment		C
Involuntary Resettlement		C
Indigenous Peoples		C
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		

Business Opportunities	
Consulting Services	not applicable
Procurement	not applicable

Responsible ADB Officer	Navendu Karan
Responsible ADB Department	South Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SARD
Executing Agencies	Ministry of Finance The Government of Nepal Singha Durbar Kathmandu, Nepal

Timetable	
Concept Clearance	15 Jul 2019
Fact Finding	08 Jul 2019 to 12 Jul 2019
MRM	13 Aug 2019
Approval	-
Last Review Mission	-
Last PDS Update	15 Jul 2019

Project Page	https://www.adb.org/projects/48218-010/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48218-010
Date Generated	18 July 2019

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.