Agricultural Development
An Analysis of Agricultural Development Strategy of Nepal (2015-2035) from Civil Society Perspective

Agriculture Development Strategy (ADS) 2015 to 2035

Part: 1

Government of Nepal
Ministry of Agricultural Development

Singhdurbar, Kathmandu

Alliance of Agriculture for Food
Nepal’s Agricultural Development

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It is not necessary that above organizations subscribe to the ideas presented in this analysis.

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<thead>
<tr>
<th>Abbreviation</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>ADS</td>
<td>Agriculture Development Strategy</td>
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<td>ADSISU</td>
<td>ADS Implementation Support Unit</td>
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<td>Agro-enterprise Center</td>
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<td>ADS Implementation Support Unit</td>
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<td>Agriculture Perspective Plan</td>
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<td>ADS Trust Fund</td>
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<td>CADIC</td>
<td>Central Agriculture Development Implementation Committee</td>
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<td>CAESC</td>
<td>Community Agricultural Extension Service Centers</td>
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<td>CNI</td>
<td>Confederation of Nepalese Industries</td>
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<td>DFTQC</td>
<td>Department of Food Technology And Quality Control</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FNCCI</td>
<td>Federation of Nepal Chambers of Commerce and Industry</td>
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<td>FNSP</td>
<td>Food and Nutrition Security Plan of Action</td>
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<td>GAFSP</td>
<td>Global Agriculture and Food Security Program</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GON</td>
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<td>INGO</td>
<td>International Non-Governmental Organizations</td>
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<td>MOAD</td>
<td>Ministry of Agriculture Development</td>
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<td>MOHP</td>
<td>Ministry of Health and Population</td>
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<td>MSNP</td>
<td>Multi-sector Nutrition Plan</td>
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<td>NADSCC</td>
<td>National ADS Coordination Committee</td>
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<td>NAFSP</td>
<td>Nepal Food Security Project</td>
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<td>VC</td>
<td>Vice Chairman</td>
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<td>Value Chain Development Alliances</td>
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<td>VDC</td>
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About this Analysis

This analysis has made an attempt to summarize the ADS briefly with gist of its positive aspects, examples of shortcomings and areas to be improved following the structure of the document. In this sense this should help people to understand the ADS in general. This analysis is inspired by an objective of promoting an informed public debate for an effective implementation and revision of ADS.

We would like to thank Hari Dahal, Jagat Deuja, Uddhav Adhikari for going through the Nepali draft and making comments and suggestions. We appreciate the support of Khemraj Dahal and Aparajita Dhakal for the translation and editing of this document.

Authors
1. Background of the Analysis

The Agricultural Development Strategy, ADS (B.S. 2072-2092) with a ten-year action plan has been developed after the completion of the long-term Agricultural Perspective Plan, APP (B.S. 2051-2071) for the overall development of agricultural sector. Prepared by Agricultural Project Service Centre and American Company John Mellor Associates, the Agricultural plan (B.S. 2051-2071) was perceived as an important document for the economic development of Nepal. It was further supported by Asian Development Bank (ADB) and other related institutions which included five interlinked objectives and six essential strategies. The main objectives of the strategy were: to increase agricultural growth rate; eliminate poverty and uplift livelihood by creating employment opportunities; to encourage commercial agriculture rather than just subsistence agriculture; to fulfill the prerequisites of agriculture expanding the possibilities for economic transformation; and was centered on identifying the short and long term strategies and their implementation. This analysis shows that although the plan showed satisfactory results in some areas, it was unable to transform overall Nepali agricultural sector.

The Agricultural Strategy (B.S 2072-2092) was devised for the Government of Nepal by the donor group allied consultants led by Asian Development Bank. It took almost two years to prepare the draft report and a year to review and collect suggestions. The Government endorsed the long-term strategy on 10 Shrawan, 2072 B.S. spending about Rs. 190 million but only with minor corrections here and there. Hence, a year-long document reviewed at various levels and the work done on the suggestions collected have been just formalities. So much so, that the suggestions provided by the Agriculture and Water Resource Committee of the Parliament and the National Planning Commission (NPC) have not been incorporated in the strategy. This strategy was developed at a time when everyone’s focus was mostly laid on constitution, federalism and various movements taking place at the time.

As this strategy did not go through wider discussion and modification, it has just been limited as a knot of the regular policy formulating chain in
the country. Jointly prepared by the Nepal Farmer’s Coalition, sister organization of the major political parties of the country and Ministry of Agriculture Development (MOAD), this strategy is not even available in the Nepali language, let alone the availability in other languages spoken across Nepal.

This strategy has been prepared based on the concept of Total Factor Productivity which advocates Open Market Economy. **This strategy emphasizes on agricultural transformation by providing service to the communities dependent on agriculture transferring their skills in industrial sectors which will generate greater income.**

As proposed in the strategy, the thought of competitive agricultural development from maximum investment is not possible in the present context of transition in Nepal. This situation is far away from the present reality of Nepali agriculture.

**Positive aspects of the Strategy**

Although the discussions on various dimensions of Nepali agricultural development at the public level were insufficient, the process however, of making this document when compared to courses of formulating other national policies is quite inclusive as it consisted of participation of the stakeholders. Most of the concerns of the governmental and donor concerned were involved. In addition, farmer representatives also participated in national as well as regional workshops. This strategy has analyzed numerous weaknesses responsible for the unsuccessful implementation of the preceding agricultural planning citing the lack of coordination and policy level failures as the major causes of weaknesses. It has suggested some structural shifts keeping in consideration the well-being of small farmers. Additionally, it has also devised some provisions such as classifying the farmers and formation of high level commission for farmer’s rights; establishment of community-based agricultural service centers to provide technical help for the farmers in crops and animal production at local level; and the formation of Agricultural Development Fund for the implementation of the strategy. Further, it has positively proposed the regulation of Foreign Direct Investment and ban on genetically modified seeds.
Weak Aspects of the Strategy

Despite enough time in use to collect suggestions and changes made in the report, important suggestions have not been incorporated. A difference is not visible as conducted by a comparative study among the final report submitted to the Government by consultants in Jestha 2071 B.S. and the ADS (B.S. 2072-2092) volume one endorsed by the government on 10 Shrawan, 2072 B.S. Suggestions specified by the Agriculture and Water Resource Committee of the Parliament and the National Planning Commission have been included in Annex.

In the later part of the draft, what should have been rightly written as ‘prepared for the Nepal Government’ is written as ‘Nepal Government, Agricultural Development Ministry.’

The vision of the ADS has been stated as a self-reliant, sustainable, competitive, and inclusive agricultural sector that drives economic growth and contributes to improved livelihoods and food and nutrition security leading to food sovereignty. However, except for the addition of the sentence ‘stating orientation towards “Food Sovereignty”, there are no changes at all in the new document. Although “Food Sovereignty” is mentioned, it has not been defined at all.

Globally, there is an increasing concern and practice of the increment of food security and improvement of the livelihood of farmers through sustainability of agricultural production system. This strategy has been prepared with an idea of traditional high investment and commercialized agricultural development, which is neither sustainable nor productive.

The emphasis of this strategy lies on the existing competitive agricultural production in other countries, rather than on the crops of comparative advantages suitable according to geographical diversity of Nepal. There is lack of uniformity among the vision, design and the direction of implementation. Although, the words have been changed due to the pressure of the Farmers’ Network, the content is not refined accordingly. It seems that the strategy is prepared only for the sake of preparation without any consistency whatsoever. Agriculture, the main basis of livelihood of millions of Nepali farmers suffering from food and nutrition insecurity, has not been viewed from food and nutrition perspective.
**Major Aspects to be improved**

Overall, this strategy does not say much about many other important issues of Nepali agricultural development. Agricultural system is directly linked with the issues of land, labor, changing social, cultural, geographic and environmental specificities, migration, urbanization, food import, land distribution, et cetera. However, these issues have not been analyzed adequately and systematically, thus a re-analysis of the issues is necessary.

Its roadmap is not only unclear but haphazard as well. Primarily, one needs to ponder over the possibility of implementation of this strategy according to the current scenario which has been presented, in an industrial agriculture framework.

This strategy fails to consider the fact that Nepali agriculture would not be able to compete with other plain land agricultural systems in terms of production process, productivity and volume (commercial) due to its geographic condition, productiveness of agricultural land and biodiversity. Many agree that there is no alternative to present Nepali agriculture based on competitive advantage, however, this strategy still promotes the traditional commercial agriculture.

For the agricultural development of Nepal, the agricultural system’s design should have been developed by adopting basic sustainability philosophy based on local resources and technology.

In order to develop such a system, factors such as geo-political situation, biodiversity, climate change, carbon absorption, food culture, food and nutrition security, environmental and social aspects should be assessed and food sovereignty should be ensured for food for agriculture while emphasis should be given to agricultural products of comparative advantage and their promotion. With the declaration of Nepal’s new constitution, this strategy’s implementation mechanism’s refinement is unavoidable. It is appropriate to take it as an opportunity for amendment.

Currently, as the strategy has been endorsed by the Government, Nepali agriculture now has two directions. Firstly, it is to adopt the imported green revolution based on maximum investment agricultural design following the strategy which is actually unsuccessful in practice, however
showing progress on paper and pushing Nepali agriculture further to the brink of collapse. Second, to adopt agriculture suitable to agricultural systems that use local resources, bio-fuel and renewable energy, and develop Nepali agriculture sustainably.

The process of developing long term agricultural development strategy with appropriate agricultural design will start only when focused in these issues following proper debate.

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2. Review of the ADS

Section 1: Introduction

Summary

Report of the strategy has been presented in two parts. Part one includes objectives, methodology and strategy. It also includes the names of people who have provided financial and technical support while preparing the strategy.

Consultations and exercises done with various concerned bodies after the finalization of the document have been included in part two of the appendix.

The development of this strategy which is said to be prepared in collaboration between the Government of Nepal and National Farmers’ Network has been developed with the technical and financial support of 13 development partners by Asian Development Bank. Consultations and suggestions were collected from various concerned stakeholders including Agriculture and Water Resource Committee, National Planning Commission, Chief Secretary and secretaries of other concerned Ministries.

The main document of the strategy is presented as the ten years work plan along with the Twenty-Year strategy.
This report has been prepared with 4 policy dialogues at national seminars, 13 regional workshops, 30 issue based meetings, 1 national Conference, 9 public debates, 4000 interviews with main concerned groups, 7 project executive committee meetings, 20 focus group discussions and analysis from the subject specialists

Summary of the suggestions given by the Parliamentary Committee on the draft of the strategy

Parliamentary Committee, Agriculture and Water Resource Committee, Secretariat, Singha Durbar, went through the proposed strategy of agricultural development and had discussions with concerned stakeholders followed by the presentation of suggestions. The report emphasized on “food sovereignty, farmers’ prosperity, rural industrialization based on the development of overall agricultural sector” by polishing the vision of the Agricultural Development Strategy. It has mentioned the need for clarity even in the principle concept of the strategy. It has also suggested to clarify as to which one, among food security, food right and food sovereignty, is the principle concept of Agricultural Development Strategy together with addressing the interrelationship of land, water and forest, and making them an indivisible part of agricultural development. In the suggestion report, working direction of the strategy, based on the present context, it emphasizes on the food orientation and commercial promotion of the products of comparative advantages for the overall development of Nepali agriculture. Along with this, it has also been suggested that the issue of investment remains critical at the implementation level of the ADS. To ensure plenty of sources of investments and their proper management, implementation of the past agricultural development policy/ strategies by ending the insufficiencies encountered in the investment is suggested. Further emphasis is placed on: sustainable land management, conservation and promotion of local seeds; development and extension of organic agriculture; and all the policies, strategies and documents made by the Government of Nepal should be prepared in Nepali language which is understood by all.

Source: Agriculture and Water Resource Parliamentary Committee, 2071
Positive Aspects

Previously, few high level Government officials in Nepal received support from foreign consultants in the development of policies and strategies, however this time, it has been done differently by involving consultations from concerned stakeholders. Thus, it is a positive change and the involvement of Farmers’ network is another positive aspect. Similarly, this strategy has been made accessible to the public for discussion and interaction.

Weak Aspects

The report submitted to the Government of Nepal on 28 Jestha, 2072 B.S. (11 June, 2015) by the technical team mentions ‘prepared for the Ministry of Agricultural Development’. This raises a question of ownership of the document. It should not just be the Ministry of Agriculture but of the agricultural strategy of the country. Although consultations were done with the Agriculture and Water Resource Parliamentary Committee, National Planning Commission and various Ministries, suggestions received from them have not been incorporated in the document. This strategy should have been for the long term development of the whole agriculture sector; however this only presents itself as the document to be implemented by the Ministry of Agricultural Development. Thus, it has not been able to look at overall agriculture in an integrated manner. In addition, not addressing the demand of the farmers to publish this document in Nepali language is another weakness.
Summary of the suggestions on final report of the Strategy by National Planning Commission

National Planning Commission has provided suggestions on the final report of the proposed agricultural development strategy in eight main areas consisting of policy level, statistics, institutional, research and capacity building, food and nutrition, and private sector. The main suggestions put forward by the National Planning Commission are briefly described below.

• Conduct a serious analysis of the gap between the present condition and the condition prior to the development of the development strategy and identify the problems that have hindered achievement of objectives in agriculture sector.

• The statistics mentioned in the strategy was collected in 2011 which should be updated.

• The objective of making trade deficit zero in five years should be elaborated, and should be made clear whether it is possible to achieve.

• Agricultural Development Strategy should provide proper guidance to institutional strengthening keeping in consideration changing political situation and restructuring of the country. Clear guidance should be provided on how to accommodate agricultural education, research and extension by making various agriculture related education and research effective.

• Land use policy and Agricultural Development Strategy should be well coordinated.

Source: National Planning Commission

Suggestions

It is necessary to modify the strategy including the suggestions from various stakeholders. Further, the strategy’s availability in Nepali language is crucial. For this purpose, a taskforce should be formed to refine the current strategy by studying and analyzing suggestions from the concerned stakeholders and the changing circumstances thoroughly as well as developing self-sufficiency in food appropriate to Nepal and promoting agricultural products of comparative advantage.

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Section 2: Analysis of Agricultural Sector

Summary

In this section, the overall agricultural sector has been analyzed. The summary of which is described as follows.

- **Existing scenario**

Some promising signs are seen in the analysis of some subsectors such as dairy processing, poultry farming, tea, vegetables and fisheries. However, it has been accepted that these positive signs as a whole are not sufficient directly to lift the livelihood of the large population involved in agriculture, reduce malnutrition and ensure food security. As per this, even though about two third of population of the country is involved in agriculture, the productivity and competitiveness is minimal. Use of improved agro-technology is limited. Despite the cultivation of food crops in majority of the areas, food trade deficit is increasing and malnutrition is also high.

However, its analysis has shown improvement in productivity, infrastructure, food security and poverty. But some indices such as food and agriculture trade deficit and land productivity per person are seen even lower than earlier. It has been stated that agricultural sector was very weak at the beginning of long term agricultural planning 2050-2070 B.S. (known as APP), and improvement in other aspects of livelihood in the last two decades has proven the progress of this sector as compared to the past as scarce.

This proves that even though Nepal has had achievements in agricultural sector, based on the progress sought, in comparison to the progress made by the neighboring countries, the progress is minimal. According to which, the growth of overall economy and agriculture (about 3%) is not only slow but also unstable. Nepal’s youth and productive labor force is involved elsewhere. Three lakh youth left Nepal in the year 2010 and this trend is increasing since the last ten years. In this way, in 2067/68 B.S., Nepali migrant laborers working in
foreign countries have remitted a large amount of their earnings to the country, which is about three billion US$, more than 20% of total Gross Domestic Product (GDP). Most of the money is spent to pay back the debt and consumption rather than investment and capital formation.

- **Long term Agricultural perspective Plan (APP)**

It turned out to be a project with mixed outcomes due to the reasons mentioned above. It could achieve targets in some of the sectors such as road infrastructure, horticulture and community forestry whereas its progress remained less than expected in cereals, manures, fertilizers and seed. Similarly, mixed outcome was achieved in irrigation and livestock whereas the growth rate of overall agricultural GDP was weak.

Planning of APP was based on the concept focused in the use of technology which mostly centered on Green Revolution Agriculture which was not suitable for the agricultural lands and environments. The implementation of APP remained weak due to the limited support of resources, policies and help from the institutions necessary for implementing its programs. The leadership in ownership was not strong. The environment was not favorable for active participation of main stakeholders from agricultural sector, farmers, private sector, cooperatives in terms of planning and implementation. The problems of land and land related issues were left unsolved.

- **The reasons of inability in reaching expected progress**

The following reasons are pointed out for the weak growth of agricultural development in the past two decades:

- Although the 12 year long people’s war ended in 2062 B.S., it left negative impacts on agricultural sector. Millions of rural families migrated to cities leaving their farm land behind. Majority of them migrated to Kathmandu and the rest abroad.
The migration of rural population made these sectors lack labor and capital.

- Large part of fertile agricultural land, adjacent to the cities, is being used for residential purposes due to rapid urbanization.
- The committed leadership for an uninterrupted implementation of policies, plans and programs was lacking due to political instability. Despite plenty of agricultural policies made, most of them were limited to documents only. In many cases, necessary laws/bylaws and resources were lacking in implementing the policy. Sometimes, weak projects were planned, whereas sometimes the targets were overambitious. The institutional capacity for the implementation remained insufficient.
- The investment of government and the development partners during the first 10 years of APP (2051-2071 B.S.) seems to be reduced. Similarly, the investment of private sectors could not be high either. The capacities of human resources were also limited during this period. Incentive for civil servants remained very low whereas the trend of migrating abroad of technicians and labors for better opportunities increased.

- **Agricultural Development Strategy (ADS): Needs and expectations**

  This part states that in the course of developing this strategy, the lessons learnt from the experience of agricultural perspective plan have been incorporated. Among these, assurance of good governance, efficient participation of stakeholders, addressing the issues of land, decentralized research and extension, and commercialization and growth in competitiveness are the most important ones. The present strategy is expected to guide Nepali agriculture for the next 20 years. An all-encompassing and multifaceted change in the structure of the Nepali agricultural sector along with the enhancement of agricultural trade is anticipated during this period. Coordination between agriculture and other sectors is stated as important especially for the eradication of rural poverty.
In order to address the complexities of agricultural sector and the inclusion of production areas such as crops, birds, fish, also including the processing areas, trade and other services (storage, transportation and management, finance, marketing, research, extension) will be appropriate.

It has been stated that planning of this strategy is primarily based on the concept of transformation of agricultural sector by enabling agrarian community to generate more income from the service and industrial sector along with food production and distribution for the people; rural development of non-agricultural sector including agriculture; enhanced growth of land and labor productivity; trade balance; employment and youth migration; role of women; to speed up the process of agricultural transformation in the context of climate change and to assure the right coordination between the problems and aspirations of Nepali society.

Weak Aspects

The context analysis has not been described through a holistic approach. The analysis seems to be limited only in reviewing the Agricultural Perspective Plan. In addition, the content is only restricted to the mid-term review. Further, National Farmers’ Coalition, the partner in ADS development, was not involved in this analysis. The facts and figures used in the analysis of agricultural sector are not reliable either. For instance, it has been stated that in 2051 B.S., 18% land was irrigated all year and the same figure has been mentioned in 2062 B.S. This shows that no progress was achieved in the irrigation sector in fifteen years. However, the annual budget of the Ministry of Irrigation shows investment of millions of rupees in the sector during this period. Similarly, target set for crop production is less than the current average production. For instance, the quantity per unit production of rice after five years is set as 3.5 ton/hectare, which has already been achieved currently.

Although it is supposed to be the analysis of agricultural sector, it has only been limited to the criticism of the previous APP.

Overall, the production-centered analysis has considered the slow speed of national development to be the main cause of under achievement of Nepali
agricultural sector. Although attempts were made to encompass the universality of agriculture by analyzing its various aspects such as Gross Domestic Production, productivity of labor, trade deficit in agriculture, poverty, food insecurity, only the positive progress has been shown in these dimensions. In this analysis, it has been stated that there is mixed contribution of APP. However, the comparative analysis of the sectoral outcomes has not been studied yet. Along with this, sufficient research has not been carried out while evaluating the agricultural sector. The ADS, with the vision of high investment competitive agricultural development, has not even studied the effect of import. Similarly, the impact of the two big neighbors whose agricultural economy is hugely compared to that of Nepal has not been accounted either.

The reason for the failure of APP is stated to be from the lack of coordination and weaknesses in policy improvements. However, it has not been stated that the main cause of the failure was midterm stoppage of investment by the donor agencies who expressed the commitment to help. Similarly, it has been argued that no interest was shown for the ownership of APP. The reason for this is said to be the lack of appropriate evaluation of the works done by the Ministries and Departments related to agricultural development. Thus, evaluation could not be conducted as to how effective such projects could be as they could not be implemented. The main reason for the lack of implementation was that both the formation and evaluation of the strategy was done by donors and other related agencies who did not take ownership.

Production of vegetables and meat has been presented as successful program of this period. However, these programs were successful not only because of effective implementation, but due to increased health awareness, purchasing power and urbanization.

The basis for analysis and design of agricultural sector has not been presented in this section. This analysis seems to be loitering around APP and is limited in a narrow enclosure of the Ministry of Agriculture rather than reviewing the agricultural sector thoroughly. The strategy has been prepared without the overall evaluation of geographic and biological diversity, natural calamities (including earthquake) and environmental
conditions. It also has not assessed the effect of proposed high investment chemical agriculture in the future. Further, the promotion of proposed ecological agriculture stated in the objective of Agricultural Policy 2061 B.S. has not been mentioned at all.

During this period, it is acknowledged that a lot of policies and projects including National Agricultural Policy 2061 B.S., Three Year Interim Plan 2059 B.S., Rural Infrastructure Project 2066 B.S., and Agricultural Enterprise Promotion Policy 2062 B.S. were prepared. Similarly, it has shown the increase in infrastructures such as Agriculture Service Centers, commercial banks, market centers, roads, electricity and irrigated areas. Reviewing the APP, it has been mentioned that the achievements are satisfactory in some areas and not so much in others and the main cause behind this is stated to be the investment of the government and the donors. Nepal has expressed the commitment to promote the right to food and nutrition by adopting sustainable agricultural system through various international treaties and conferences. The examples of which are Sustainable Development Goals and Zero Hunger Challenge. In addition, the Constitution of Nepal has mandated Food Sovereignty as a civic right. In our context, Food Sovereignty is the availability of healthy food through sustainable agricultural system. However, the ADS is silent in these matters.

**Suggestions**

The analysis of agricultural sector done in this part to assess the changing political, economic and social dimensions as a whole is insufficient. The vision of the strategy should be prepared by assessing problems seen in global agriculture and real analysis of current challenges particularly migration, climate change and food insecurity of Nepali agriculture.
Section 3: Vision of the Strategy

Summary

It is expected that Nepal will be a middle income country with a significant increase in gross domestic production in the coming 20 years. Nepal will begin the process of agricultural transformation to get to this condition. A society based on subsistence agriculture needs to leap into a society creating a significant portion of income from industry and service.

While preparing this vision, issues accepted as challenges are agricultural transformation, agricultural development, urbanization, change in food habits, globalization and pervasive migration, green technology, diversification, market-controlled distribution, quality and food standard, income generation, climate change, resource degradation and economic discipline.

“Self-reliant, sustainable, competitive and inclusive agricultural sector” that speeds up the economic growth, uplifts livelihood and contributes to food sovereignty, food and nutrition security is the vision of the strategy. In order to monitor the progress according to the objectives of the strategy in terms of implementation, various indicators and targets are presented.

Weak Aspects

The points in the vision have been explained except for food sovereignty. The people involved in the campaign do remember that food sovereignty is a word that has been added later. Its target and indicators have not even been presented. Issue of “food sovereignty oriented” is not only abstract but food sovereignty without a clear roadmap is just a misconception. The vision which is said to be prepared with a wider consultation with concerned stakeholders is contradictory and unclear. For instance, it is not clear as to what they want to mean with the words competitive and inclusive. The basis upon which the foundation of this vision is prepared is not clear. The basis of the preparation of objectives and indicators as well as the aspects to be improved have not been mentioned either.
Suggestion

It is important for a vision to be simple and clear. Clear layout of the vision should be drawn to make Nepal self-dependent in food. It is also equally important to increase income and employment by promoting agricultural production of comparative advantage.

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Section 4: Design of the Strategy

Summary

In this section, it has been stated that in order to achieve the strategy’s vision, the ADS will accelerate the growth of agricultural sector through four strategic components including good governance, productivity, profitable commercialization, and competitiveness while promoting inclusiveness (both social and geographic), sustainability (both natural resources and economic), development of private sector and cooperative sector, and connectivity to market infrastructure (e.g. agricultural roads, collection centers, packing houses, market centers), information infrastructure and Information and Communication Technology (ICT) and power infrastructure (e.g. rural electrification, renewable and alternative energy sources). The speeding up of inclusive, sustainable, multi-sector, and connectivity-based growth is expected to result in increased food and nutrition security, poverty reduction, agricultural trade competitiveness, higher and more equitable income of rural households, and strengthened farmers’ rights.

The strategy’s design has been presented in the figure below. All four components have been separately analyzed.

1. Food and nutrition security
2. Poverty reduction
3. Competitiveness in agricultural commercialization
4. Security and Strengthening of farmers’ rights
Scope of the strategy

Good Governance

Summary

Governance, in the strategy, refers to the capacity of government to design, formulate and implement policies and discharge functions. Key elements of governance include accountability, participation, predictability, and transparency. It has been stated in the strategy that in spite of frequent commitments in support of the agricultural sector, policies to support the sector have either not been formulated or have not been implemented. In addition, the frequent changes in tenure of the key leaders in implementing policy, program, and project, the problems get more complex.

This has recognized the complexity of the agricultural sector requiring effective coordination and planning among different agencies, different levels (central and local), and various stakeholders (government, civil society, development partners). Effective coordination and planning will be the key outputs to achieve the governance outcome, and a capable ADS coordination division (implementation support unit) under Directorate of policy and International Aid Department in the Ministry of Agricultural Development will facilitate various institutions to implement the strategy. Similarly, the inclusion aspects of the strategy (gender, disadvantaged groups, geographically disadvantaged) will be taken into account through appropriate mediums. It is mentioned in the strategy that necessary measures for establishing the result-based management system will be developed within this component as a trial.

Weak Aspects

The part about good governance in the document does not show commitment to implement the ADS. If that were the case, proposal for the improvement of the present agricultural bureaucracy would be presented as the first precondition for implementation of the ADS. Sound planning of implementation of ADS will not be possible just by
talking about the theoretical aspect of good governance. Good governance is just limited to suggestions rather than identifying what should be done. For instance, good governance will just be a conversation without reorganizing the present agricultural bureaucracy engulfed within nepotism and obeying orders from higher officials.

**Suggestions**

The description of good governance should be presented as a strategic work plan. Restructuring bureaucracy, review of the procurement law of the government and efficiency in the flow of service and technology should be taken as important constituents of good governance while talking about agricultural sector.

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**Increased Productivity**

**Summary**

Improved productivity of land and labor is at the basis of the ADS. Agricultural productivity requires the adoption of appropriate technologies. In addition to coordination between market’s demand as well as dependent farmers’ food sovereignty demands, increment of agricultural productivity and sustainability is necessary.

The measures to raise agricultural productivity include (i) effective agricultural research and extension; (ii) efficient use of agricultural inputs; (iii) efficient and sustainable practices and use of natural resources (land, water, soils, and forests); and (iv) increased resilience to climate change and disasters.

Productivity will increase in case of timely availability of quality inputs. The strategy recognizes that the long term productivity and competitiveness of the agricultural sector depends on the access and
adoption to improved technology as well as effective management of natural resources and other inputs to achieve increase of total factor productivity. While subsidies may be a convenient approach in the short run to address targeted issues or market failures, however, in the long run, they are not a viable, efficient, or effective solution to sustainable improvement of productivity. The ADS will focus on generation and adoption of sustainable technologies and practices and will pilot a voucher system to empower farmers in their choice of inputs and expansion services.

The strategy has stated governmental sector as one of the agencies including private and cooperative sector, non-governmental organizations, frontline farmers, farmers’ schools and will work together towards the development and extension of technology. The role of governmental sector will be to coordinate the efforts of other organizations, facilitate the implementation of policy and projects, monitor implementation, execute and regulate the rules.

**Positive Aspects**

The strategy recognizes that a number of actors are already involved in agricultural extension and over time their presence will have an important role. Rather than advocating a massive increase of human resources in the public service, the strategy promotes capacity building of existing government human resources and the transformation of their role from delivery of extension services to overall facilitation of agricultural services. The strategy further states that the role change will be accompanied by a greater emphasis on the delivery at the Village Development Committee (VDC) level, where, about 4,000 Community Agricultural Expansion Service Centers will be established with at least one technician in each center knowledgeable about agriculture, information and communication on agriculture and livestock management. The strategy also recognizes the critical importance of farmers’ access to and control over the land for the success of the strategy. Other positive aspects that the strategy has indicated are serious land issues such as tenancy, fragmentation,
degradation, land use planning which need to be resolved during the course of the strategy and their resolution will require the participation of the farmers’ organizations, cooperatives, and private sectors in order to find equitable and efficient mechanisms for enhancing land productivity.

**Weak Aspects**

The strategic propositions presented in ADS are limited, again, only in the form of suggestions. The propositions, except the provision of technicians related to agriculture and animals at VDC level, are abstract and impractical. One example of it is denying subsidy to the farmers in the long run. In the context of protection offered by the state to agricultural business as social enterprise worldwide, this proposition is not only impractical but it is sure that this makes Nepali agriculture weaker as small farmers can’t invest and take risks against the possible losses in farming on their own. Primarily, because of this farmers are moving away from agriculture. Further, it should not be forgotten that APP has failed mainly because donors encouraged developing the project with high investment and eventually they backed off themselves.

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**Profitable Commercialization**

**Summary**

The outcome of profitable commercialization in the ADS has been a part of the overall process of transformation of the agricultural sector. This transformation, from a substantial proportion of farming carried out solely for subsistence, and by default (i.e. no other livelihood or household food security options are available to the household), into a sector in which the vast majority of farming will be carried out for commercial purposes and is connected to the local, national, and international markets.
This transformation towards a more commercialized agriculture requires a set of measures that focus not only on farmers, but, fundamentally on agro-enterprises involved in the commercialization of agricultural products and services. These enterprises include input providers, production companies, marketing cooperatives, storage operators, agro-processors, importers and exporters of agricultural and food products, distributors, traders, and agricultural service providers (including financial service providers, insurance providers, business service providers).

Profitable commercialization requires the combination of a number of measures. Arranging a favorable environment is important for investment and a number of reforms to strengthen contractual arrangements, taxes, and financial services to promote an efficient commercial agriculture are required. The strategy also emphasizes the need of prioritizing a number of value chains to ensure they achieve scale economies and therefore have national income and employment impact. Finally, the strategy supports the improvement of physical and institutional infrastructure to promote commercial agriculture (agricultural roads, market information and market intelligence systems).

**Weak Aspects**

Profitable commercialization by transforming subsistence agriculture is proposed while a suitable environment for investment and infrastructure development are presented as the main areas of reform in the strategy. Although, it discusses the future of Nepali agriculture, nothing has been mentioned about the transformation of subsistence agriculture to commercial. Commercialization of limited number of products prioritizing their chain value is presented in this proposal. However, in reality, it has not internalized well that a large amount of production and marketing of any specific product is not feasible in a country like Nepal which has diverse biological and environmental conditions.
Increased Competitiveness

Summary

Accelerated agricultural growth still represents the best way out of poverty for millions of Nepal still living below the poverty line. It states that experience from Asian economies has demonstrated that one of the most successful ways to stimulate growth in agriculture is by creating an environment suitable for investment for agricultural entrepreneurs and also creating increased access to the critical knowledge and inputs needed to achieve higher levels of productivity. For sustainable growth, structural changes and improvements need to exist that do not fade away with fluctuations in global prices or disappear after a bad monsoon or depend on concessional external funding.

In addition, the strategy has consequently placed its core focus on competitiveness based on a competent, hard-working and efficient work force; a clear understanding of what makes Nepal unique in the global market place; and, the determination and entrepreneurship to maximize productivity and innovate with new products and processes based on the country’s natural endowments. To achieve this vision, the energy and creativity of the private sector is essential. The age of communications and better education has enabled Nepali producers to learn better practices and access market information, while stability, rising market prices for land and remittances have created the disposable cash to make these investments.

It has been mentioned in the document that these changes demand an approach to agricultural promotion and competitiveness that acknowledges the vital role of the private and cooperative sector, without compromising the critical function of the government to oversee, regulate and facilitate growth that is both competitive and pro-poor. The coming together of private and cooperative sector energy and innovation with the steady hand of government to ensure positive public outcomes is often called public-private partnerships.
The essence of these partnerships is to create some forms of additional possibility that would not have been possible without the other’s involvement.

From the government’s point of view, it gets the opportunity to increase its investment and channelize outcomes whereas for the private and cooperative sector, the increment of government funds reduces the fear of investing in high-risk high-potential projects.

**Weak Aspects**

As mentioned earlier, the strategy has a theoretical explanation of increasing competitiveness in collaboration among private, cooperative and public sectors as well. It further mentions that such collaboration leads to the creation of additional possibility. Although the strategy has discussed the importance of cooperatives, this part highlights that only private sectors work when it comes to creation and innovation. Money earned from remittance is an opportunity to invest, yet nothing is mentioned about labor management in agricultural sector in the context of migration of youth farmers.

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**Farmers’ Rights**

**Summary**

In this part of the strategy, factors such as institutional mechanisms to ensure farmers’ participation in planning, decision making, implementation and monitoring of the strategy have been mentioned. In particular, the strategy has ensured that farmers’ representatives are part of the leading coordination mechanisms of the ADS at the center and local level, part of the Steering Committee of the ADS Implementation Committee, board of NARC and board of almost 4,000 VDC-based Community Agricultural Extension Service Centers (CAESC). Similarly, there have been attempts to include them in the
executive committee of Commercial Agricultural Alliances and Value Chain Development Alliances. They will be consulted when formulating policies for the agricultural sector and when undertaking monitoring of the sector. They will be the members of the Food Security Networks at the District level. By having their representation in all these institutions, farmers will be able to ensure and strengthen their rights in the Agricultural Development Strategy.

Furthermore, the ADS will promote the formulation of legislation related to food rights and food sovereignty consistently following the principles of the Interim Constitution. A high level, authorized and permanent Farmers’ Commission will be formed to ensure farmers’ rights and for their representation in policy/organizational mechanism. The specific TOR, composition, rights, regulation of the Farmers’ Commission will be formulated in the early stages of strategy implementation.

Weak Aspects

Although Farmers’ Rights has been described as a component of good governance, it has not been mentioned in the coordination and implementation design of the strategy. Further, it is also not clear who these farmers or farmers’ representative are and who do they represent.
Classification of the Farmers

Summary

It has been stated in this part that the impact of the activities of the strategy will be on the farmers of three categories: commercial, subsistence and landless. Commercial farmers will be directly impacted from most of the programs. Impact will be direct and very strong in some of the aspects/fields. Irrigation, mechanization, value chain development and export are the examples. Subsistence farmers will also be impacted from most of the activities of the strategy. Land (e.g. addressing the problems of tenancy, leasing land, cooperative farming, amelioration of degraded land, timely availability of quality inputs e.g., coupon targeted to subsistence farmers, improved immunity power), and the provisions of the strategy related to access to microfinance and insurance, gender social and geographic inclusion will have direct and very strong impact on subsistence farmers. Landless or equivalent farmers also will be directly benefitted from such provisions of the strategy such as the food and nutrition programs, gender and social/geographic inclusion, access to forest products, and the provisions related to development of small and medium enterprises.

It is mentioned that in the twenty years of implementation of the ADS, the process of transformation of agriculture will proceed ahead and most of the rural households will get jobs either in non-agricultural sector in the village or in the city. Due to insufficient profitable employment and lack of attractive livelihood in rural areas, a significant population of rural households will continue migration looking for high earning opportunities outside. Commercialization of agriculture will proceed further through different mediums, however, commercial agriculture will be limited mainly with small landholders (farmers owning less than 2 hectare of land). Subsistence farming systems will be in coexistence with commercial farming for a long time. The total population dependent on agriculture through subsistence farming will reduce. ADS will improve both the earning
and livelihood of commercial as well as subsistence farmers by speeding up commercialization of agriculture along with the accommodation of landless and marginalized farmers by enhancing the non-agricultural sector and increasing opportunity of employment generation.

**Weak Aspects**

In spite of the effort to make total factor productivity as the main basis, it is contradictory with farmers’ rights presented in the prologue. Despite advocacy about commercial farming and not making it reliant on subsidies, there is no basis yet for commercial agriculture in our context which could in turn make our agriculture weaker. Farmers’ rights and their categorization have been presented as important aspects but there is no objective analysis for their importance and the positive impact they might have on agricultural development. For instance, commercialization of agriculture will advance any way and this will be limited among the farmers owning less than 2 hectares of land. Although farmers have been categorized into commercial, subsistence, and landless, only commercial farming is being advocated with the view that most of the programs of the strategy will directly benefit the commercial farmers. This has further stated that there will be gradual transformation of small farmers into entrepreneurs or labor of commercial farming. However, analysis has not been done regarding which product should commercially be promoted in which area and the quantity of human resource required.
Section 5: Program

Summary

The ADS consists of 4 outcomes, 35 outputs, and 232 activities. The report has encompassed detailed description of each activity. Output of the strategy has been categorized into core programs, flagship programs, and other programs. Core programs and flagship programs are listed in Annex 2. Flagship Programs are listed in Table 2. Other programs which the MOAD is currently implementing are listed among the Core and Flagship Programs. It has been mentioned that once they are evaluated, they will be included in the future Core and Flagship Programs.

Six Core Programs mentioned in the report will be implemented through most of the offices in agencies already existing at level of Ministry or Department. The Flagship programs, as they are newly formulated and their activities are of a multi-regional nature, will need separate offices for their implementation.

Proposed Flagship Programs

The strategy envisages some national priority programs around which consensus, abundant resources, and effective management can exist. The Flagship programs of the Strategy are as follows.

A. Food and Nutrition Security Program
B. Decentralized Science, Technology and Education Program
C. Value Chain Development Program
D. Innovation and Agriculture Entrepreneurship Program
A. Food and Nutrition Security Program (FANUSEP)

FANUSEP aims at improving food and nutrition security of the most disadvantaged groups. It will consist of three sub programs: the Nepal Food Security Project (NAFSP), currently been finalized as part of the Global Agriculture and Food Security Program (GAFSP); the Food and Nutrition Security Plan of Action (FNSP), currently been finalized with assistance of FAO; and a new national food and nutrition security project to be designed and implemented to complement NAFSP and FNSP. The ADS in general and FANUSEP in particular will align with the Multi-sector Nutrition Plan (MSNP) a five year program already approved by the GON.

Weak Aspects

Programs and achievements in this part are over ambitious. These achievements do not have a solid base of setting up the targets. The target in APP was set up by analyzing input and output using the Growth Accounting Framework but this strategy has not followed it. There is no accounting of production cost, human labor and use of other resources and estimated production as affected by geographic conditions. This strategy, with the programs proposed, seems to focus more on promotion of agricultural trade and market management rather than making a holistic agricultural strategy of the country. It is not clear whether the main objective of the proposed programs in the strategy is replacing import or balancing trade deficit by exporting through the promotion the crops of competitive advantages. On the other hand, it has proposed the value addition of the five main crops (rice, maize, wheat, millet and barley). In an ecologically and environmentally diverse country like Nepal, the programs will not be effective unless there is a crop/site specific production program. Commercial use of the proposed prioritized crops mentioned in the strategy except maize has not been mentioned. These major crops will not be able to compete even in the global market, let alone in Nepali market, unless we have clear protection policies for such commodities.
Nepal Food Security program has been in implementation in Nepal since the last three years under the global agriculture and food security program (GAFSP). This program has been kept under the flagship program of the food and nutrition security. GAFSP, which has minimum effect in the field, if presented as a flagship program, can be questioned how effective would the flagship program be for food security. On top of that, it seems baseless in itself, how can food be secured only by talking about the present and future programs.

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B. Decentralized Science, Technology, and Education Program (DESTEP)

This program aims at decentralizing the extension and research system while fostering coordination of research, extension, and education in order to enhance responsiveness to farmers’ and agro-enterprises’ needs. The decentralized extension system will include three main measures: (i) establishment of Community Agricultural Extension Service Centers (CAESC) in each VDC; (ii) strengthening capacity of existing and planned agricultural extension stations that will provide backstopping services to the CAESCs; and (iii) promoting a voucher system to empower farmers to access the best available extension and extension service providers.

The decentralized research system will require restructuring of NARC, establishment of new national research institutes (e.g. a National Horticultural Research Institute, National Animal Science Research Institute, National Aquaculture and Fisheries Research Institute), and establishment of National Agriculture Research Fund under NARC and research stations in all regions, including the far western region.

The integration with the agricultural education system will include support to Tribhuvan University, Agriculture and Forestry University, creation of a department of agribusiness in those universities, capacity building of vocational schools, support to the establishment of regional and district level agricultural colleges along with the inclusion of agricultural education in school level curricula.
Weak Aspects

A lack of effective coordination among research, expansion and education has been indicated. However, collaboration and work division between research and agricultural university is not clearly outlined, and it is not clear as to what the decentralization of the research actually means. If these signify experimenting in field research, its subjects and questions are not clear. In addition, there is no clarity as to which is the responsible agency to conduct such research. Similarly, no question has been raised about how agricultural brain drain can be checked. Establishment of Community Agricultural Extension Service Centers seems rather practical in terms of proposition. However, there is a fear for these programs as well, similar to other proposed programs, of not being implemented and limited on the papers as means of their execution is not clear. This document proposes the privatization of extension. The present subsistence farmers in rural areas are not in position to afford the private extension services. It is not apparent how the present extension service under the Ministry of Agricultural Development will exist and what will it do if expansion is indeed privatized.

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C. Value Chain Development Program (VADEP)

The objective of the Value Chain Development Program, as stated in the document, is to develop and establish strengthened value chain relationship of prioritized products through extensive and integrated steps that benefit the poor by enhanced investment of producer farmers, cooperatives, public and private sectors with regional impact. Unlike other value chains, in the past or at present, interventions in Nepal, this program will have the following unique innovative features.

i. It will be looking at and developing all the stages of the value chain, from seeds to final products, from production to processing, market infrastructure to access roads and connectivity, post-harvest technology to quality assurance and exports;
ii. It will strengthen linkages among associations of farmers, traders, processors, input providers and other value chain actors in order to ensure effective investment;

iii. It will establish linkages beyond the district level and achieve national impact; and

iv. It will work not only with one district or department but across districts and departments as well as value chain actors.

The Manager of Value Chain Development Program will be recruited by the Ministry of Agricultural Development, Government of Nepal. The Manager will coordinate with Nepal Government, development partners, and other investors, for example, with the help of ADS Trust Fund (ATF) will facilitate to provide the fund to Value Chain Development Alliances (VCDAs) and will assure overall monitoring and evaluation of the program.

Each VCDA Board will have 6 elected members and 7 non-elected members. The non-elected members will be nominated by GON and include representatives from MOAD, MOI, MFALD, FNCCI, and NRB. The Board will be chaired by one of the non-elected members nominated by the GON. Moreover, each VCDA management will prepare a business plan and an investment plan, to be approved by the Board. The operations of the VCDA will be audited according to the law. Further, they will also be audited according to regulations of the Development Partners supporting the VCDF.

### Prioritized Crops for VADEP in ADS

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<tr>
<th>SN</th>
<th>Crop</th>
<th>SN</th>
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<tbody>
<tr>
<td>1</td>
<td>Maize</td>
<td>9</td>
<td>Potato</td>
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<tr>
<td>2</td>
<td>Dairy Products</td>
<td>10</td>
<td>Wheat</td>
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<tr>
<td>3</td>
<td>Vegetable</td>
<td>11</td>
<td>Ginger</td>
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<tr>
<td>4</td>
<td>Tea</td>
<td>12</td>
<td>Cardamom</td>
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<tr>
<td>5</td>
<td>Lentils</td>
<td>13</td>
<td>Oilseed</td>
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<tr>
<td>6</td>
<td>Rice</td>
<td>14</td>
<td>Coffee</td>
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<tr>
<td>7</td>
<td>Goat</td>
<td>15</td>
<td>Fish</td>
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<td>8</td>
<td>Poultry</td>
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</table>
VCDAs will remain in the group owned by the farmers and their organizations, entrepreneurs, service providers, service runners, managers of store houses, cooperatives and other actors of the value chain. These will be established according to the legal provisions. The specific commonality of all the members of VCDA is their affiliation to certain value chain and their willingness to the promotion in its commercial growth.

**Weak Aspects**

It has been presented as being different than the earlier value chains existing in Nepal, however the difference only seems to exist in words.

The manager recruited from the governmental officials cannot coordinate the Government of Nepal, development partners and other investors. The VCDA has proposed 7 officials by nomination from the government and 6 elected in the board placing them under the control of officials. Such board will be slow following the work pattern of the government rather than being functional. It is not appropriate to propose such mechanism which has even advocated public private partnership even and privatization of even expansion. It is the matter of getting benefits from the progressiveness of private sector.

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**D. Innovation and Agro-entrepreneurship Program (INAGEP)**

INAGEP aims at fostering agricultural innovation and agro-entrepreneurship through the combination of tax incentives, agribusiness incubators, and matching grants. The main beneficiaries of this program will be small and medium private enterprises, cooperatives including youth, women and disadvantaged groups. The program will be implemented through a Program Manager recruited by the Ministry of Agricultural Development. The INAGEP Manager facilitates the growth of innovative small and medium agro-enterprises improved tax incentives, establishment of agribusiness incubators, and matching grants.
Weak Aspects

Improved tax incentives, establishment of agribusiness incubators, and matching grants under INAGEP are proposed, however, any plan of implementation or the types of benefits have not been elaborated. The management model proposed for this program is the same as above which may not be effective during implementation.

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Section 6: Strategy and Implementation Mechanism

Summary

It has been stated in this part of the strategy that agricultural sector was affected by weak implementing bodies and integrated projects in planning, policy monitoring, procurement, and financial management along with lack of coordination. A hypothesis has been predicted of the provision of organizational structure in a conventional way of implementing strategy and projects in agricultural sectors where NPC coordinates the implementation of policies as a whole, whereas MOAD has leadership in the implementation process of agricultural programs. Other related agencies help in implementation.

In Nepal, the traditional way of implementing agricultural programs will have central focus on the main stakeholders of the agricultural sector, farmers, cooperatives and private entrepreneurs where government agencies will remain on the front.

Proposal of New Mechanism

In order to improve implementation, some new mechanisms are proposed in this part. It has been stated that the new mechanisms are furnished on the foundation of the existing ones and those will help and strengthen the previous ones. The success of the effective implementation of ADS depends on the farmers, actors of agriculture food chain, organizations, prioritized national programs and the amalgamation of main stakeholders, in addition to National Planning Commission, Ministry of Agricultural Development and other associated agencies.
Agriculture Development Strategy Implementation and Coordination Mechanism

**National ADS Implementation Committee**

A National ADS Implementation Committee (NADSIC) is proposed, which will be chaired by Honorable Minister for Agricultural Development, with Vice-chairman of National planning Commission as the Co-chairman. Other members of the Committee will include the member of Planning Commission (Agriculture), Vice-chancellor of Agriculture and Forestry University, Secretaries from the Ministries of Finance, Irrigation, Forestry, Federal Affairs and Local Development, Presidents of Federation of Nepal Chambers of Commerce and
Industry (FNCCI), Confederation of Nepalese Industries (CNI), representative of National Peasant’s Coalition as members, and MOAD Secretary as Member Secretary. Observer status will be given to independent professionals, representatives from donor agencies, NGOs and academia.

The ADS implementation committee will be responsible to ensure the implementation of ADS and will meet bi-monthly for meetings. The Terms of Reference of the Committee will include the following:

i. Ensure the implementation of ADS by promoting policy, administrative and legislative changes in responsible institutions.
ii. Ensure resource mobilization from both internal (public and private) and external sources.
iii. Provide guidance to the concerned ministries and the stakeholders to facilitate ADS programs and projects implementation from the grassroots to the national level.
iv. To act as the Project Steering Committee by providing technical assistance which supports ADS implementation,
v. Together with National Agricultural Development Strategy Coordination Committee and the NPC, conduct periodic assessment of the ADS and recommend adjustments.
vi. Adjust ADS Programs, and institutional structure as per the upcoming federal structure.

Weak Aspects

ADSIC has once again been presented as the committee of the representatives from various agencies holding on to the tradition. Minister for Agricultural Development has been chosen as the coordinator of the committee. Such a committee can make decisions on paper, however it cannot conduct an effective implementation. To handover this strategy only to the Ministry of Agricultural Development which was unsuccessful in implementing agricultural programs for past two decades, will mean to implement the strategy only in paper. The structure should be improved by assessing the strengths and weaknesses of the currently proposed coordination and implementation mechanism. In the current situation, National
Planning Commission cannot direct the minister for Agricultural Development to implement the strategy. Furthermore, the division of the Ministry has added ambiguity to the status of the Minister for Animals and Birds.

Radical improvement in agricultural administration and making local mechanisms equipped both with the capacity and decisive power is necessary to enhance their efficiency in order to implement the strategy. For this, administrative structures of Ministry of Agricultural Development and agencies working under it, Nepal Agricultural Research council and its farms, agricultural education institutions need drastic improvements to make them quick. Effective administrative mechanism should be like a pyramid but looking at the present structure of Ministry of Agricultural Development, it is just the opposite. There are about 378 Local Agricultural Service Centers whereas number of central institutions under the Ministry of Agricultural Development is almost equal. Amendment of this should be the first step of improvement. Therefore, it is necessary to refine the mechanism based on the suggestions by creating a working group for the administrative improvement of agricultural sector.

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Strategy Coordination Committee

The National ADS Coordination Committee (NADSCC) is the national coordination committee of line agencies under the chairmanship of Vice Chairman (VC) of NPC. NADSCC will be strengthened through secretariat service provided by the ADS Implementation Support Unit (ADSISU) and will be enhanced with the establishment of the following NADSCC sub committees charged with improving the coordination of ADS relevant issues such as:

i. Coordination between agriculture and irrigation extension (specifically between DOA and DOI)
ii. Coordination among public sector, private sector (e.g. FNCCI, Agro-enterprise Center (AEC), CNI, agribusiness associations, associations of small and medium enterprises), cooperative sector (e.g. National Federation of Cooperatives), and farmer organizations (e.g. National Peasants’ Coalition)

iii. Coordination between government sector and non-governmental organizations/international non-governmental organizations (NGOs/INGOs)

iv. Coordination between government and development partners

v. Coordination among Research-Extension-Education organization (NARC - DOA, DLS, DFTQC - University of Agriculture and Forestry, Institute of Forestry, Agricultural campuses, Center of Vocation Education and Training)


In addition, together with Central Agriculture Development Implementation Committee (CADIC) chaired by Secretary, MOAD will periodically assemble agencies involved in the implementation of agricultural programs and coordinate activities. CADIC will be strengthened through capacity building of the ADS Implementation Support Unit (AISU). Similar coordination mechanisms exist at the regional and district levels as well. All these will be conducted based on the design proposed in ADS.

**Weak Aspects**

National Planning Commission has been given the responsibility for policy level coordination of ADS. However, at the present arrangement, National Planning commission is only the political consultant of the of the development plans of the government. It is obvious that it cannot direct the Ministry of Agricultural Development for the implementation of ADS.
Strategy Implementation Support Unit (Coordination Division, Ministry of Agricultural Development)

The implementation of the ADS requires coordination among different agencies and stakeholders. Implementation also requires capacity in policy analysis and formulation, monitoring, legislation and regulatory skills that are not so active currently. A unit responsible to the MOAD, endowed with policy, legal and analytical capacity is to contribute to bridging the gap between policy and implementation enhancing the capacity of the ADS implementation agencies.

Weak Aspects

Strategy Implementation Support Unit has been established under the Ministry of Agricultural Development. Policy analysis, monitoring and evaluation have been specified as the major working areas. However, the document does not indicate anything regarding who and how will they implement the strategy. In addition, as these are formed on the mechanisms of old foundation, there are major doubts regarding their effective implementation.

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ADS Implementation Trust Fund (ATF)

The document states that all current modalities of financing to the sector will remain as they are. The only additional modality will be a multi donor ADS Trust Fund (ATF) with additional money provided by donor agencies. Ministry of Agriculture Development and Government of Nepal will be responsible for its implementation. Resources in the ATF may be used for

i. Technical assistance supporting the ADSISU

ii. To implement the Flagship Programs of the strategy
Significant performance prizes to parties (individuals and teams) responsible for implementing the ADS in line with approved performance management plans, and

ADS implementation and strategic direction review such as the biannual review

Weak Aspects

The fund established in a traditional way under the Ministry of Agricultural Development and considering the area of application, the proposed fund will not be carried out properly. Managing resources in such funds should be done to properly finance for a larger benefit of the aspects especially mentioned in points (iii.) and (iv.) above. It is imperative to collect the fund for activities (i.) and (ii).

The Leading Stakeholders: Farmers, Cooperatives, and Private Sectors

It has been stated in the document that government agencies will be responsible for coordination and implementation of the ADS whereas the leading stakeholders in the ADS will be farmers, cooperatives, private agro-enterprises, and their associations such as the National Peasants’ Coalition, the National Cooperatives Federation, the Seed Entrepreneurs Association and the Dairy Industry Association. There will be similar associations at the district level. In case of farmers and cooperatives, such associations will be established at the VDC level. Therefore, there will be a number of national and local commodity organizations or trade organizations.

The ADS recognizes that its success depends on the participation and the ownership of farmer organizations, cooperative organizations, and private sector organizations. Unlike the previous policies for the
agricultural sector, the ADS has involved farmer organizations in the formulation stage and will continue to involve them during implementation, monitoring, evaluation, and periodic reviews. It has been mentioned in the document that the representatives from the Farmers’ Commission, Farmers’ Network, Cooperatives, and private agro-entrepreneurs will remain the members of the major coordinating and decision making agencies.

**Weak Aspects**

Active participation of the stakeholders proposed in the document for implementation of ADS is inevitable. While preparing the ADS or the current way of various concerned agricultural sectors being represented only by the Farmers’ Networks, the sister organization of the political parties, it seems there is much control of the civil servants and of people doing politics in the name of farmers.

**Suggestions**

A balance is lacking in the role of proposed coordinating and implementing mechanisms and other units in the strategy. Central, state and local level mechanisms should be developed with appropriate roles and responsibilities of all the stakeholders. There should be appropriate representation, mainly of the farmers, private sectors, and civil society.
### Section 7: ADS Budget/Investment

#### Summary

ADS Action Plan 10-year Cost Summary is as follows

<table>
<thead>
<tr>
<th>Programs</th>
<th>Food and Nutrition Security</th>
<th>Decentralized science, Technology and Education Program</th>
<th>Value Chain Development Program</th>
<th>Innovation and Agro-entrepreneurship Program</th>
<th>Flag ship Program</th>
<th>Core Program</th>
<th>Other Programs</th>
<th>Total</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Governance (100 million NRs)</td>
<td>323</td>
<td>-</td>
<td>-</td>
<td>323</td>
<td>111</td>
<td>-</td>
<td>-</td>
<td>434</td>
<td>8%</td>
</tr>
<tr>
<td>Productivity (100 million NRs)</td>
<td>-</td>
<td>662</td>
<td>-</td>
<td>662</td>
<td>1,300</td>
<td>-</td>
<td>-</td>
<td>1,962</td>
<td>37%</td>
</tr>
<tr>
<td>Commercialization (100 million NRs)</td>
<td>-</td>
<td>-</td>
<td>766</td>
<td>766</td>
<td>226</td>
<td>-</td>
<td>-</td>
<td>992</td>
<td>19%</td>
</tr>
<tr>
<td>Competitiveness (100 million NRs)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>205</td>
<td>205</td>
<td>208</td>
<td>-</td>
<td>413</td>
<td>8%</td>
</tr>
<tr>
<td>Other Programs (100 million NRs)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>205</td>
<td>205</td>
<td>208</td>
<td>-</td>
<td>413</td>
<td>8%</td>
</tr>
<tr>
<td>Total NRs (100 million)</td>
<td>30.66</td>
<td>62.88</td>
<td>72.73</td>
<td>19.48</td>
<td>185.75</td>
<td>175.27</td>
<td>140.81</td>
<td>501.83</td>
<td>100%</td>
</tr>
<tr>
<td>Total US$ (10 million)</td>
<td>32.3</td>
<td>66.2</td>
<td>76.6</td>
<td>20.5</td>
<td>1,95.5</td>
<td>1,84.5</td>
<td>1,48.2</td>
<td>5,28.2</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage</td>
<td>6.1%</td>
<td>12.5%</td>
<td>14.5%</td>
<td>3.9%</td>
<td>37.0%</td>
<td>34.9%</td>
<td>28.1%</td>
<td>100.0%</td>
<td>100%</td>
</tr>
</tbody>
</table>
In the budget, 40% has been allocated for core programs such as forest, irrigation, manures and fertilizers and infrastructure, 4% for flagship program and remaining 23% for other programs. 79% of the budget is expected from the government and donors and 11% is to be available from private and community sources. Initially it will be promoted on a trial basis. It is then proposed to expand gradually based on reviews.

Seen below is the graph showing the division of budget allocation by programs.

Out of the total allotted budget worth 500 million for various proposed programs, agriculture accounts for 360 million, forest 40 million and irrigation 100 million. As current agriculture sector has 250 million budgets, investment in agriculture is only increased by 20% as compared to the present annual investment.

**Positive Aspects**

Such presentation facilitates to understand the priority areas of the strategy and reasons for it along with the creation of the basis for timely evaluation of the programs.
Weak Aspects

Proposed annual allocation of 500 million rupees for the development of agriculture in ADS is not very exciting. Its result can easily be estimated by looking at the outcome of the present investment of about 250 million. The basis for the division of expenditure in the budget and the source of the expenditure have not been revealed. For instance, they have indicated that 89% from the government and donors and 11% from private and community sources would be available. Similarly, most of the flagship programs are presented in the form of projects of donor agencies. To bring such programs without evaluating the effectiveness of the project is just a way to make the donors happy.

Suggestions

Budget of ADS should be evaluated on the basis of the division of its expenditure and their sources. Plan of integrated programs and budget should be brought for the reconstruction of agricultural sector by considering the consequences of the recent devastating earthquakes and the blockade in the Southern border.
Section 8: Food and Nutrition Security

Summary

Food and nutrition Security policy prepared with help of FAO has been presented in this part as a component of this document. Food security being a comprehensive issue, effective monitoring of the issue has been emphasized. The target has set to reduce the current level of 24% of food poverty to 16, 11 and 5% in 5, 10 and 20 years respectively based on food security indicators including food availability, access, utilization and stability. In addition, the inter-relationship between food security and the major constituents of ADS like good governance, productivity, commercialization and competitiveness have been briefly presented in this part. Strengthening food security network, increasing production and productivity, and promoting agricultural market and thereby increasing food availability have also been talked about.

Positive Aspects

Albeit late, a positive step nonetheless is, making food security as one of the most important components of ADS. This will continuously push in placing food security at the center of the objective of agricultural development.

Weak Aspects

This section was not a part of ADS draft till it was prepared. It is actually a part added later, otherwise it would have been a part of section 5. An attempt has been made in this section to connect the strategy of food security with ADS document; however the type of food and nutrition security and the process that can be promoted by agricultural development is not mentioned. We cannot be self-sufficient in food materials only by talking about food and nutrition security without concrete strategy to make Nepali agriculture self-sufficient in food production. Therefore, a separate strategy should be made for agricultural development based on food for food and nutrition security because the current ADS does not suffice.

- ★ ★ -
Section 9: Monitoring and Evaluation of the ADS

Summary

The ADS needs to be monitored regularly, professionally, and in a participative manner. Monitoring Division and Sections will be strengthened at the Ministry and department levels and will be provided support and capacity building by the ADS Implementation Support Unit. In addition to project and program monitoring, the ADS will require regular policy monitoring. Monitoring will need to go beyond inputs and immediate outputs and include outcomes and impact monitoring according to the targets and design monitoring framework of the ADS programs. Monitoring reports should be made publicly available in both Nepali and English languages and discussed regularly at national and local events. Monitoring should also identify good performance and reward them accordingly to motivate.

Through regular monitoring and periodic review and evaluation, various aspects of the ADS will lead to regular progress and improvement. An external 5-year review of the ADS will be commissioned and widely discussed by government and civil society. In addition, ADS will be refined in accordance with the structures developed after the promulgation of the new constitution.

Positive Aspects

The commitment to improve the ADS document continuously by perceiving it as living document is positive. In addition, the proposal of reviewing the document externally in every 5 years is appreciable.

Weak Aspect

Evaluation and monitoring of ADS has been limited to the Ministry and its subordinate agencies. Monitoring and evaluation only carried out by the Ministry of Agricultural Development, which has the major responsibility of implementing the ADS, is not sufficient. An independent and unbiased mechanism for monitoring and evaluation is
required. In addition, it is stated in the document that report of monitoring should be published in both English and Nepali languages; however, the document is not available in Nepali language which makes it difficult to believe in the objective.

**Suggestion**

A legal way, by forming an agricultural development civil council with appropriate representation of all stakeholders mentioned in the document, especially farmers, educational institutions, media and civil society, should be led immediately for the implementation of ADS including evaluation, monitoring, and refinement of the strategy as per the need.
Section 10: Roadmap of the Strategy

Summary

In this section, the foundations and some requisites to be fulfilled, and suggestions to legalize them, for successful implementation of the strategy, are presented.

Preliminary foundations of the strategy

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Activities to be completed</th>
</tr>
</thead>
</table>
| Prior to the Government’ endorsement | ✓ Finalizing of the report of the strategy  
✓ Extensive awareness campaign about the strategy at central and local levels  
✓ Committed agreement of the major stakeholders  
✓ Reflection of objective support from the development partners |
| Within a year of implementation   | ✓ Legal provision for ADS Coordination Committee, ADS Implementation Support Unit, ADS Implementation Trust Fund, Flagship Programs and other mechanisms.  
✓ Establishment of mechanisms mentioned in ADS  
✓ Development of working procedure for ADS implementation  
✓ Recruitment of program managers for ADS Flagship Programs  
✓ Commitments from donor agencies for ADS trust Fund  
✓ Establishment of Farmers’ Commission  
✓ Updating the reference statistics |
Pre-conditions for successful implementation and suggestions to legalize them

<table>
<thead>
<tr>
<th>Pre-conditions for successful implementation</th>
<th>Suggestions to legalize the pre-conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a.  Government’s Commitment</strong></td>
<td>▪ Midterm budget commitment for central and local government</td>
</tr>
<tr>
<td></td>
<td>▪ Tenure of the major positions</td>
</tr>
<tr>
<td></td>
<td>▪ Establishment of ADS Coordination Committee, ADS Implementation Support Unit, ADS Implementation Trust Fund and ADS Implementation Trust unit</td>
</tr>
<tr>
<td><strong>b. Rules and regulations for appropriate implementation of ADS</strong></td>
<td>▪ Construction and endorsement</td>
</tr>
<tr>
<td><strong>c. Agreement between major stakeholders</strong></td>
<td>▪ Commitment for the conformity of the main points of the agreement</td>
</tr>
<tr>
<td></td>
<td>▪ Signature program by the major political parties in ADS</td>
</tr>
<tr>
<td><strong>d. Support from the development partners</strong></td>
<td>▪ Midterm commitment for the resources</td>
</tr>
</tbody>
</table>
Positive Aspects

Preliminary foundations of ADS, especially the list of works to be done before its endorsement and within one year presented in this section, seem practical and useful. This will facilitate the monitoring effectiveness of the implementation of ADS in its initial stage.

Weak Aspects

The conditions of implementation of ADS presented in this section are contradictory in themselves. If the strategy has been made by the government itself, why is government’s commitment stated for implementation? This raises the question about the issue of its ownership. There is still no clarity as to why and who is it made for. Just after the promulgation of new constitution, the possibility of new policies and regulations being made are minimal which could lead to ineffective implementation of the strategy. Nothing has been mentioned regarding the management in this transitional period. Besides, there is less chance of agreement of stakeholders and assistance from development partners in such a document. The proposed activities to be done before the endorsement and within this year have not been accomplished till the middle of this year.

Suggestion

Establishment of a civil monitoring mechanism including concerned stakeholders is essential for monitoring the work with a roadmap. Such mechanism should be established at federal, provincial as well as local level.
3. Suggestions and Conclusion

Additional issues to be added

Important issues of agriculture seem to have been left out by the ADS. The following issues need to be incorporated to take in policies and programs followed by a comprehensive analysis of the topic:

- Migration of the Youth and labor availability
- Agricultural workload on women
- Land use and fallow land management
- Climate change
- Agro-biodiversity
- Food Balance Sheet of import and export
- Utilization of remittance and its contribution to agriculture
- Impact of geopolitics on agriculture
- Regional prioritization of agricultural products of comparative advantage

Other suggestions

- The ADS should be revised with a time line based on updated data taking suggestions by the Parliamentary Committee on Agriculture and Water Resources and the National Planning Commission into account.
- An integrated strategy with a clear vision of facilitating and coordinating subject wise programs such as animal, forest and land should be prepared. Such strategy should present the programs of agricultural management at current situation, with 3-5 years transition period, along with federalism and decentralization internalized including the evaluation of the effect of disasters. Various stakeholders including farmers should be included at different levels of the ADS implementation mechanism to make it functional.
Conclusion

ADS, in general is based on capital intensive mode of agricultural development solely aimed at promoting commercial agriculture. Nepali agriculture, given its scale and size, cannot be developed by mimicking agricultural systems of other countries. ADS needs to be revised with an integrated and holistic vision of agricultural development with low-external-input approach to agriculture for Nepal.
References


Mansata, B. 2010. The vision of Natural Farming. Rockwel Offset, Kolkata.


कृषि तथा जलम्ब्रोत्य्वस्थापिका संसद समिति | 2071 | कृषि विकास रणनीति सम्वन्धी सुभाष प्रतिवेदन | साँचवालय सिहदरवार, काठमाडौं।

खाद्यका लागि कृषि अभियान र राष्ट्रिय कृषि समूह महासंघ र राष्ट्रिय भूमि अधिकार मञ्च, नेपाल। २०१५। नेपाल सरकारबाट अनुमोदित कृषि विकास रणनीति (२०१५-२०२५) को नागरिक समीक्षा।

पौडेल, कृष्णप्रसाद, धन ब. कठायत र सुजाता तामाङ। २०७०। कर्णालीका कृषिका सम्मान्यता, समूद्र कर्णालीको दुख। सम्पादन: घिमिरे, सोमत र भुमराई, ठॊकरा, सागीला प्रकाशन, काठमाडौं।

पौडेल, कृष्णप्रसाद, ठॊकरा भुमराई र सुजाता तामाङ। २०७०। कृषि विकास रणनीतिको प्राप्त: वर्तमान अवस्था र लिनुपन्न बाटो। खाद्य तथा दिगा खेतीपाली अभियान। फरेट एक्सन नेपाल, काठमाडौं।

पौडेल, रामचन्द्र। २०१३। कृषि काृति र समाजवाद। बुद्ध एक्सेडेमिक पत्रिकासम्य, काठमाडौं। ९८८ पृ।

राष्ट्रिय योजना आयोग। २०७१। प्रस्तावित कृषि विकास रणनीति (ADS) को अन्तिम प्रतिवेदनमाथि राय सुभाष।
Alliance of Agriculture for Food

Alliance of Agriculture for Food is a collective campaign of Producer Farmers, I/NGOs and Civil Society Groups working on the issue of food, land, agriculture and climate change. It aims to raise the voice of small holders, women and landless farmers. It is committed to promote sustainable agriculture through an integrated system of social development.

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Community Self Reliance Center
Kamali Agriculture and Food Concern Group
Nepal Agricultural Journalists Academy (JONAA)
Nepal Permaculture Group
Prerana Nepal
ForestAction Nepal
National Farmers Group Federation
National Land Right Forum
Centre of Agro-Egology and Development
Community Development Organization,
Clean Energy Nepal

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