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Swiss Agency for Development and Cooperation SDC
 स्वीस सरकार विकास सहयोग एसडीसी

Nepal Agricultural Market Development Programme (NAMDP) – Phase II



Goal



Stimulate job creation and increase income for women and disadvantaged groups, through a successful transformation of agricultural markets in Province 1 of Nepal

Time Frame



1 December 31 November
2020 – 2024

Geographic Focus

Province 1



Target Groups



Women and men, including from disadvantaged groups
 Small and Medium Enterprises (SMEs)

Budget



CHF 9.54 million

Implementing Agency

Swisscontact in consortium with the Center for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED) implements the programme on behalf of the Swiss Agency for Development and Cooperation (SDC).

Background

Agriculture dominates the rural economy of Nepal. In 2020, employment in agriculture was reported at almost 65% (ILO). Over the years, associated indicators have improved significantly: rural per capita income has increased, poverty has reduced and malnutrition has declined.

In most agricultural subsectors, production, irrigation coverage and productivity levels have increased. However, the agricultural sector only accounts for one quarter of the Gross Domestic Product (GDP) in Nepal.

The federalisation of the country after the 2015 constitution offers further possibilities for improvement by bringing services closer to people. The new constitution also offers the opportunity to prioritise resource utilisation at local level, and formulates policies for inclusive market growth.

The SDC has been continuously supporting agricultural development in Nepal over the last 62 years. The first phase

of NAMDP addressed the barriers faced by poor farming households to access commercial agricultural markets. It established partnerships with businesses to address market failures with innovative business models. Two third of the intervention costs were borne by private sector partners.

Despite these achievements, challenges to agricultural markets remain to make them inclusive, competitive and profitable. The low penetration and quality of support services (finance, business development, storage, marketing services etc...) prevent agribusinesses, particularly SMEs, to innovate, be competitive and increase the trade value of their products. In addition, the cost and risk of doing business is exacerbated by the regulatory environment, which constrains access to finance, business entry and growth, especially for SMEs.

Programme Overview

The second phase of NAMDP builds on the first phase's achievements to increase value-addition and diversification of domestically and internationally traded products. The aim is to foster job creation and to increase the income of Nepali people.

The programme strengthens agribusinesses' access to innovative support services and supports a regulatory environment favourable to investment, trade and business growth. The programme focuses on the maize, vegetables, dairy and cardamom value chains.

The programme works with financial institutions, business development, marketing and other service providers to offer tailored services to agribusiness SMEs so that they can be more competitive in domestic and international markets.

NAMDP II also works with the provincial government of Province 1 to establish a business-enabling environment that supports investments and trade. With better access to services and a favourable environment, agribusinesses will be able to innovate, grow, and create quality jobs for Nepali women and men, and increase demand for higher value agricultural products.

Previous Phase Achievements



1'800
new jobs created



45'800
households with increased farm income

What the Programme Will Achieve

- Agribusinesses, particularly SMEs, increase trade value of agricultural produce in key value chains.
- Agricultural and Non-Agricultural Service Providers offer innovative services and products.
- Federal, provincial and local governments provide a more enabling environment for business growth (especially for SMEs), particularly in agriculture.

How It Will Achieve the Objectives

- Agribusinesses, particularly SMEs, have the opportunity to improve product quality and expand their networks.
- Water User Associations, farmer cooperatives and associations have the capacity and opportunity to improve product quality and expand their networks.
- Agricultural Service Providers and Non-Agricultural Service Providers have the capacity to deliver innovative products and services.
- Province 1 and federal government are able to address policy bottlenecks, to support agricultural commercialisation.
- Province 1 and local governments collaborate more effectively with the private sector and other actors.