

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Environment, Natural Resources and
Agriculture Division

TA No., Country and Name		Amount Approved:	
TA 7762-NEP: Preparation of the Agricultural Development Strategy		\$2,000,000	
		Revised Amount: unchanged	
Executing Agency (EA):	Source of Funding:	Amount Undisbursed:	Amount Utilized:
Ministry of Agriculture and Cooperatives (MOAC), later renamed the Ministry of Agricultural Development (MOAD)	TASF IV (\$1,500,000) and International Fund for Agriculture Development (IFAD) (\$500,000) ¹	\$120,239	\$1,879,761
TA Approval Date: 14 December 2010	TA Signing Date: 16 February 2011	Fielding of First Consultant: 31 March 2011	TA Completion Date Original: 31 December 2012 Actual: 31 December 2013 Account Closing Date Original: 31 December 2012 Actual: 1 July 2014
<p>Description. In 1995, Asian Development Bank (ADB) technical assistance (TA) assisted the government in preparing the Agriculture Perspectives Plan, 1995—2015 (APP) as Nepal's long term strategy for agriculture sector development.² Since launching the APP, there have been significant changes in the sector environment within the country and region, particularly the form of government, rapidly growing regional trade, climate change threats becoming real and visible, and the dual impacts of migrant labor and urbanization. The Government of Nepal considered that a comprehensive revision of the APP is needed. After extensive consultation with ADB and other stakeholders, in 2010 the government requested ADB to provide a TA to prepare an agriculture development strategy (ADS) with a 20-year vision and a 10-year planning horizon. The Ministry of Agricultural Development (MOAD) was the executing agency. The Project Steering Committee (PSC) comprising representatives of 10 ministries, was co-chaired by MOAD and the Ministry of Finance, and provided guidance on the preparation of ADS.</p> <p>Expected Impact, Outcome and Outputs. The expected impact of the TA was increased agricultural output that is more resilient to climate change. The performance targets were set at 4.7% for average annual growth in agriculture, and 6.0% for average annual growth in agricultural export. These reflect an underlying reduction in poverty, increased farm household incomes, and improved food security supported by the sustainable management of natural resources.</p> <p>The expected outcome of the TA was a draft ADS 2013-2030 prepared. The TA had five outputs (i) Output 1: analysis of agriculture status; (ii) Output 2: agriculture vision statement, with indicative pillars, including food security, sustainable production and resource management adapted to climate change, private sector development, and priority areas; (iii) Output 3: policy and strategy options paper; with benefit-cost analysis, covering all subsectors and issues and presented at a national ADS conference; (iv) Output 4: strategy and implementation roadmaps developed; and (v) Output 5: project managed effectively.</p> <p>Delivery of Inputs and Conduct of Activities. TA planned 48 person-months of international and 95 person-months of national consulting services. Eight international consultants and the national deputy team leader were recruited as individuals. International consultants included a team leader/policy and institutions specialist and eminent persons to provide expert analysis and commentary on draft outputs. Fifty-two person-months of international consulting services were rendered. Eighty-five person-months of national consultant inputs were provided through a local firm.³ Performance of individual consultants and the local firm was generally satisfactory. The Australian Agency for International Development (AusAID) provided additional resources in ADS preparation which supported additional stakeholder consultation process and in incorporating in ADS new options brought out during the consultation. The un-disbursed \$120,239 was generated mostly from savings.</p> <p>The TA implementation period was extended twice. In March 2012, the first extension was for 6 months to allow adjustments through additional consultations with stakeholders in the then-fluid political environment, and to allow additional time for further consultations within the government. In June 2013, another extension was made for three months to provide sufficient time to collect comments on the final draft ADS. ADB supervised the TA satisfactorily, fielding 9 review missions and working closely with DPs, MOAD and consultants. ADB presented TA progress reports to the DPs during the review missions, and many DPs joined TA review missions. MOAD's performance was also satisfactory. They allocated sufficient staff resources and office space, and managed coordination with government agencies for comments to draft ADS reports, chaired the PSC, and provided technical inputs.</p>			

¹ Administered by ADB.

² ADB.1993. *Technical Assistance to the Kingdom of Nepal for Agriculture Perspective Plan*. Manila.

³ In addition to these sources of funding, co-financing was provided from other development partners. The co-financiers directly engaged consultants (totaling 22 person-months of international and 54 person-months of national inputs) to analyze additional issues identified by the government.

Evaluation of Outputs and Achievement of Outcome. All outputs were achieved through four sequential development phases, as envisaged during TA design. For Output 1—analysis of agriculture status—a detailed sector assessment was undertaken, with field visits and focus group sessions. The consultants produced an assessment report covering the APP and other policy frameworks, sector status, performance, and opportunities. Output 2 was a vision for the sector until year 2030; this was prepared through (i) regional consultation workshops; (ii) consultations with senior political leaders, agribusiness, and communities; and (iii) a national ADS conference to finalize the vision and identify preliminary strategy options. Output 3—policy and strategy options paper—was achieved through intensive consultation, producing (i) estimates of resources required, benefits and costs, and time frame for each option; (ii) analysis of costs, impacts, benefits, and viability of each option; and (iii) a report on ADS options to be submitted to PSC, the expert review panel (ERP), and thematic groups. The PSC consolidated stakeholder comments and selected options. Output 4—the detailed ADS with implementation roadmaps—was completed by developing road maps and comprehensive cost estimates to guide implementation of the ADS. As the final product, a comprehensive draft of the ADS 2013-2030 was prepared. The draft ADS report was reviewed by the PSC, thematic groups, and ERP, and accepted by the MOAD on 30 June 2013, confirming that the TA outcome was achieved. Translation of the final report to Nepali was also undertaken. Output 5—effective project management—was also achieved through good coordination between MOAD and ADB, and extensive involvement of other DPs.

Stakeholders agreed on the vision of the ADS as “A self-reliant, sustainable, competitive, and inclusive agricultural sector that drives economic growth and contributes to improved livelihoods and food and nutrition security.” Short-, medium- and long-term target indicators have been set for the vision. The ADS was designed to achieve five impacts: (i) improved food and nutrition security, (ii) poverty reduction, (iii) increased agriculture trade surplus, (iv) higher and more equitable income of rural households, and (v) strengthening of farmers’ rights. These are expected to be achieved through four outcomes: (i) improved governance, (ii) higher productivity, (iii) profitable commercialization, and (iv) increased competitiveness. The ADS report also includes a complete set of activities and budgets.

The TA extensively engaged stakeholders in the entire ADS development process through (i) the PSC; (ii) thematic groups with membership that includes farmer association representatives, private sector, agribusiness and DPs; (iii) ERP comprising national experts and DP experts; and (iv) national and regional engagement with DPs. A Nepal ADS conference was organized with TA-sponsored papers on policy options invited from stakeholders, nongovernment organizations, and academia; and participation of two eminent persons, who gave further credibility to the ADS. The conference substantially helped strengthen the government’s ownership. At the request of the steering committee, a study tour to New Zealand and Vietnam was organized in February 2013 for exposure to countries with successful track records in agricultural sector reform. It helped the Nepali government officials and agricultural experts better understand the need for change. These participatory approaches facilitated final acceptance of the ADS by the government, and are expected to be instrumental for implementation of the ADS.

Overall Assessment and Rating. The TA is rated successful on the basis of its relevance, efficiency, effectiveness and sustainability. The government has internalized the ADS through its inclusion in the new Three Year Plan and in the programs announced in the 2013/2014 budget speech of the Ministry of Finance; it has constituted two committees to guide the process of ADS endorsement by the government. The TA brought together 13 DPs⁴ to jointly contribute to ADS development, under the strong leadership of MOAD. This has significantly enhanced potentials among DPs to harmonize support in line with the ADS.

Major Lessons. (i) The Government appreciated ADB’s assistance in coordinating the DPs while the ADS was being prepared, and encouraging the DPs to support the ADS’s long-term vision; (ii) The value addition brought by two eminent persons through high level engagement with the government was significant, and (iii) Policy or plan documents should be simultaneously prepared in English and Nepali to foster better communication with stakeholders.

Recommendations and Follow-Up Actions: (i) Cabinet to approve the ADS, and (ii) as requested by the Ministry of Finance and DPs, ADB to consider ongoing DP coordination for the agriculture sector and jointly with other DPs providing the Agriculture Sector Development Program to support ADS implementation.

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⁴ ADB, Australian Aid for International Development, Danish International Development Agency, Department for International Development of the United Kingdom, IFAD, European Union, United Nations Food and Agriculture Organization, Japan International Cooperation Agency, Swiss Agency for Development and Cooperation, UN Women, United States Agency for International Development, World Bank, and World Food Programme.