

## The Agricultural Development Strategy

The Agriculture Development Strategy (ADS) was officially approved in 2015 with a 20 year vision to drive the transformation of the agriculture sector in Nepal over the next two decades, “from a society primarily based on agriculture to one that derives most of its income from the service and industry sectors” (ADS, 2010). ADS aims to “move towards a self-reliant, sustainable, competitive and inclusive agricultural sector that drives economic growth, job creation and contributes to improved livelihoods and food and nutrition security”.



Photo: EU TCF to ADS

There are five key strategic objectives that include: food and nutrition security, poverty reduction, higher and more equitable incomes, agricultural trade competitiveness, and farmers' rights. The Strategic Framework of the ADS is underpinned by four-pillars of agricultural development.

**a) Improved governance.** Effective implementation requires a government with the capacity to design, formulate and implement policies and discharge functions, as well as a management system based on performance and results.

**b) Higher productivity.** Adoption of technology, application of know-how (i.e. effective agricultural research and extension, efficient use of agriculture inputs, efficient and

sustainable practices and use of natural resources, and increased resilience to climate change and disasters), as well as access and control of the means of production (i.e. land), for improved efficiency and sustainability of production.

### **c) Profitable commercialization.**

Transitioning from a subsistence-oriented agriculture sector to a commercial-oriented agriculture sector connected with the local, national and international markets (development of value chains).

**d) Increased competitiveness.** Access to innovation, quality enhancement, market infrastructure, export promotion, critical knowledge and a competent and efficient work-force, etc. are some of the elements that are rooted in structural changes that allow a sustainable enhancement in competitiveness.

Over a 20-year period (2015-2035) it is envisaged that agricultural growth will rise from the current 3 per cent, to 6 per cent per annum, driven by a 400 per cent expansion in irrigated area, a 400 per cent improvement in soil organic matter and associated 50 per cent reduction in degraded land, a 250 per cent expansion in agricultural land productivity and a significant increase in women's ownership of land (from 10 per cent to 50 per cent). This growth is expected to lead over 20 years, to: a 5 per cent surplus in food grain self-sufficiency from a 5 per cent deficit; an 800 per cent increase in agricultural exports; the more than doubling of returns to agriculture labour; and a reduction of rural poverty from 35 per cent to 10 per cent (ADS report, 2016).

These strategic pillars of agriculture development promote a number of cross-cutting key aspects that are front and centre for the ADS: (i) inclusiveness (both social and geographic); (ii) sustainability (of both natural resources and economically); (iii) development of the private and cooperative sectors, and connectivity to market infrastructure (e.g. agricultural roads, collection centres, packing

houses, market centres); (iv) information infrastructure and ICT; and (v) power infrastructure (e.g. rural electrification, renewable and alternative energy sources).

## The Technical Cooperation Facility

The ADS Coordination Section (ADSCS) has been established at the Ministry of Agriculture and Livestock Development (MoALD) to support the ADS implementation and the coordination of stakeholders and their agencies supporting ADS roll out to the provincial and local level. The “Technical Cooperation Facility (TCF) to the Agriculture Development Strategy (ADS)” has been set up to support the ADS coordinating unit. The unit is also expected to ensure that the capacity of the Provincial and Municipal institutions engaged in ADS implementation are enhanced.

The TCF is part of a larger EU programme entitled “the EU Contribution to Agriculture and Rural Development (CARD)”, where the main component is budget support of EUR 36 million. The objective of the CARD is to contribute to poverty reduction, food and nutrition security, climate change resilience and improving the competitiveness of the sector to generate higher and more equitable incomes in rural areas of Nepal. The CARD is expected to support GON in implementing the ADS through policy dialogue, budget support and capacity building measures. The Technical Cooperation Facility complements this financial support.



Project name	Technical Cooperation Facility to the Agriculture Development Strategy
Funding	European Union (EU) Euro
Working areas	7 provinces and municipalities
Lead executing agency	MoALD
Duration	01.04.2019 – 31.03.2022

The TCF to ADS has been established with a mix of long term Technical Assistance at federal and provincial levels as well as short term expertise to respond to requests from GoN on demand.

## The Approach

The overall objective is to “help achieve the objectives of the Agriculture Development Strategy of Nepal.” The specific objectives are to “to strengthen the capacity of MoALD and other stakeholders to efficiently and effectively implement the reforms and activities foreseen in the ADS.” The approach to implementation covers the following component areas:

- **Result 1: Develop and roll out a communications strategy.** Communication and visibility are crucial for ADS to ensure provincial and local

ownership and a full understanding of the programme and its expected results.

- **Result 2: Governance and policies.** Given the multi stakeholder nature of ADS, effective stakeholder coordination is critical for a successful achievement of results. provide support to ADSCS and strengthen its capacity for overall coordination of ADS implementation in relation to other ongoing programmes
- **Result 3: Agricultural Planning.** Agricultural planning is vital to prepare and formulate periodic and annual plans adapted to ADS. The capacity of staff for planning and budgeting needs to be strengthened at federal, provincial and local levels.
- **Result 4: Monitoring and Evaluation.** Developing capacities at all levels to design and implement an efficient and effective monitoring and evaluation system is of utmost importance to ensure the successful implementation of the ADS and the transformation of the agriculture sector over time.
- **Result 5: Human resources development.** Ensuring efficient support in capacity development for MoALD and other ministries involved in ADS implementation as well as government institutions at provincial and municipality levels is of utmost importance for successful roll-out of ADS.
- **Result 6: Sector Budget Support.** Sector budget support is needed to help ensure that the country meets its conditions to continue to be eligible for assistance. Support will be given to ensure that the GoN has the capacity to benefit from EU budget support in agriculture.

The strategy involves providing policy and governance support to the Federal and Provincial government as well as selecting municipalities in each of the provinces, to demonstrate improved planning and M&E processes at local level.



## Expected Results

- Overall improvement of the agricultural planning process.
- Overall improvement of the M&E system and development of a database for the agricultural sector.
- Stronger coordination and increased communication between the provincial and local level governments.
- Policy level support in key areas of work including the agricultural extension system.
- The successful experiences from the pilot municipalities are modeled and channeled into federal and provincial discussions for replication and scaling-up

## Contact Details:

Agriculture Development Strategy  
Coordination Section (ADSCS),  
Ministry of Agriculture and Livestock  
Development, Singhadurbar, Kathmandu.  
e-Mail: [Adscoordinationunit@gmail.com](mailto:Adscoordinationunit@gmail.com)

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TCF Office  
CEAPRED, Nayabato, Ringroad, Lalitpur  
G.P.O. Box: 5752, Kathmandu, Nepal  
Tel: 015184272/015184242