

## Foreword

A Memorandum of Understanding (MOU) has been signed on 13 August 2013 between Government of Nepal, Ministry of Agricultural Development and Agro Enterprise Centre/Federation of Nepalese Chambers of Commerce and Industry, an Agriculture wing of FNCCI, an umbrella organization of business and industry community of Nepal dedicated to agribusiness development and poverty alleviation through the balanced economic growth of the country. Further, a revised MoU has also been signed between the two parties on December 2017 recognizing the changes in the program and administration based on learning from project implementation from 2013 to 2017.

While the general aim of this partnership remained same which is to translate AEC competences in BDS in agriculture sector to district level institutions through expansion and enhancement of activities in business enabling environment, the revised MoU included specific roles of AEC in producing analytic reports on market trends and forecasting. The institutional strengthening activities shall strengthen local and district level institutions in establishing backward and forward linkages. The BDS and AMIS shall shape up national initiatives in local entrepreneurship development and market assurance to contribute in livelihood promotion of small holder's farmers. The MOU has given due priorities by describing the roles and responsibilities of AEC and MoAD, and establishes implementation modality for collaboration and partnership between them in good faith aiming to attain intended objectives of the programme based on the agreement established between The International Fund for Agricultural Development (IFAD) and the Government of Nepal (GoN/ MOAD).

This partnership agreement is under the process to translate AEC competences in BDS in agriculture sector to district level institutions through expansion and enhancement of activities in business enabling environment in implementing annual plans and programs. These annual plans and programs also included institutional strengthening activities to strengthen local and district level institutions in establishing backward and forward linkages.

Finally, AEC would like to assure its firm commitment for the success of the program.

Thanking you all for your continuous support.

Dr. Dinesh Parajuli

Managing Director

AEC-FNCCI

## Executive Summary

The Ministry of Agriculture Development (MOAD) and Agro Enterprises Center have revised the terms of contracts for execution of the KUBK projects in December 2017. The revised agreement focuses on increasing marketing outreach and market information accessible to farmers and traders alike, strengthening marketing chain development at the district level and documentation of trade worth in the district. During this FY, 2074/75 total approved budget for AEC to implement the program activities was of worth NRs 7,05,62,000.00 mentioned in the Annual work Plan and Budget. The signing of the MoU in December 2017 brought some changes in the programs budget, resulting in some reduction in total budget. Actual fund received from PMO for the FY was NRs 56,612,000.00 The delay in signing of the MoU and the final cost tab heading led to serious repercussions in program implementation and budget expenses. While the revised MoU called for revision of program activities and budget ceilings, challenges erupted on some programs which have already been conducted based on AWPB. Some of the programs mentioned in the AWPB could not be done because they were not mentioned in the Costtab.

The total expenditure for this FY was NRs. 56,612,000.00 only, 80.23% against the annual budget. Consequently, keeping in view of the last year progress a list of activities and the budget for the next FY 2075/76 was prepared and it is in process of the implementation.

The activities accomplished are business plan counselling, operating district agro information centre, Multi-stakeholder platforms (MSPs), campaign for extension of formal seed sector and trade/use of Truthful Level Seeds, facilitating establishment of associations of producers and traders in seed, milk and meat sub sector, linkage development workshop, training programs on Business Literacy, and Agriculture Entrepreneurship, Dialogue between producers and companies and participation of farmer groups/cooperatives and traders at regional and district level agro-fair.

The major achievements of this fiscal year are highlighted below:

- Business Plan for micro grant Registered : 199 unit
- Business Plan for micro grant approved: 84 unit
- Buy Back Agreement for Seed: 1091.73 Mt.
- Buy Back Agreement for Goat Meat: 4017 live animals/year
- Buy Back Agreement for Milk : 2988.86 Ltr Per Year
- Price Fixation on Cereal Seed and Vegetable Seed.
- Market Seed Disposal: 975.79 MT
- Demonstration of Seed, Dairy. Meat Product and Technology through Agro Fair
- TL Seed Promoted in Project Districts
- Support/Establishment of associations for seed, milk and meat commodity in six Project Districts.

## List of Abbreviation

ABDC = Agri Business Development Catalyst

AEC = Agro Enterprise Center

AMIS = Agriculture Market Information Services

AMISA = Agri Market information Service Assistant

AWPB = Annual Work Plan and Budget

BBA = Buy Back Agreement

BDS = Business Development Services

DABDA = District Agri Business Development Advisor

DADO = District Agricultural Development Office

DCCI = District Chambers of Commerce and Industry

DLSO = District Livestock Service Office

DIW = District Investment Window

MDS = Market Development Services

PCN = Project Concept Note

MSP = Multi-Stakeholder Platform

B2B = Business to Business

PMO = Program Management Office

TOT = Training of Trainers