

Agriculture Development Strategy
A THOROUGH PEER REVIEW REPORT OF THE INVESTMENT PLAN

Unofficial translation of the Report

by

Agriculture and Water Resource Committee of the Parliament
the Government of Nepal
Singh Durbar, Kathmandu

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Part 1

Introduction

BACKGROUND

The contribution of agriculture sector in Nepalese economy is a fact as the agriculture sector contributes 35 percent to the total gross domestic product and nearly two-third population of the country is dependent on agriculture. The development of agriculture sector together with its expansion has a crucial role in the development of the country. The priority of the country should be on food self-sufficiency through the proper utilization of agriculture and natural resources and increase the productivity by enhancing the competitive capacity of agriculture products based on comparative benefit. Based on comparative benefit, marketing of cash crops; establishment of the income generation through agriculture and enhancement of the income status of the farmers should be envisaged. Unless agriculture sector is industrialized, we cannot think of resourceful development of the country. The requirement is to make agriculture self-reliant by increasing the contribution of the sector through marketing, diversification and adoption of improved technologies and also to make the sector lucrative for the young generation who have migrated abroad and involved in foreign services.

To work for the attainment of the above, the following loopholes have also been identified by the present three year plan-to minimize the impact of water and environment degradation on agriculture; to make irrigation facilities free; reduction of pressure for agriculture in marginal land; minimize the impact emanating through the use of harmful pesticides on the public health and environment; to increase the accessibility of the available agriculture technologies to the farmers; proper management for the import and distribution of fertilizers; to attract the young generation in agriculture sector; to develop and expand processing of agricultural products; to ensure quality in the agriculture and livestock production, distribution, import and export; to develop cooperative and farmers' group to increase the productivity; to increase the accessibility of poor, women, dalit, indigenous groups, madhesis, muslims and farmers from backward region in the agriculture and livestock programs; to increase accessibility in the formal and non-formal education related to agriculture.

With formulation of policies, acts, rules and regulations which have long term impact and the supportive structure; proper investment of the country; involvement and revitalization of the private sectors; awareness, involvement, commitment and hard work of farmers and donors' investment together can help to attain the stipulated progress in the agriculture sector and also enhance dependency in the sector and attract younger workforce by making it attractive.

In the backdrop of Agriculture Perspective Plan (APP) not been successful, the Ministry of Agricultural Development drafted the Agriculture Development Strategy. While developing such strategic plans and policies of the country, the role of the parliament was also felt and accordingly a Sub-Committee under the leadership of the Honorable Member of the Agriculture and Water Resources Committee (AWRC) - Mr Ananda Prasad Pokharel of the Parliament, was formed on 9 September, 2014. This report is a result of feedback from wider consultation with all concerned stakeholders related to the Agriculture Development Strategy (ADS).

Objective of the review

The major objective of this review was to present the suggestions of the AWRC after discussion with relevant stakeholders and review of the proposed Agriculture Development Strategy (ADS).

Rationale for the Review

1. Though the crucial role of the parliamentarians is in the formulation of policies, in practice they have mostly been constricted to the formulation of acts within these policies. Therefore, the centrality of parliamentarians should be on the broader framework, that is, formulation of policies and ownership of the strategy circumventing the confinement to the acts, rules and regulations which are an out borne of the policy.
2. The curiosity, active participation and political ownership is crucial, as for the next 20 years, in agriculture sector development, this strategy will provide the roadmap through the acts, rules, budget and framework for the development of programs.

3. This study was carried out to involve the stakeholders, who were overlooked during the formulation process of the strategy; incorporating topics that have not been done; more clarity on structural changes; change of law and resource management and bringing all the relevant stakeholders on the same understanding level, so as to pave way for the smooth implementation of the strategy.

Review approach

In the context of presenting the suggestions for the Agriculture Development Strategy, the sub-committee emulated many methods. Initially, desk review and analysis of the strategy and other related materials were done. After this, discussions and workshops with various organizations; stakeholders were carried out and also encapsulating the perspectives of the political parties. The discussions were also carried out with responsible government focal points; relevant ministries; expert of the agriculture field; business people, women, janjati, dalit, backward communities and representatives of the landless. There were also discussions made with the donors supporting in the formulation of the strategy, for their commitment in the implementation. After this, the suggestions of the sub-committee for the Agriculture Development Strategy was presented at the committee. There were further discussions with the 10 relevant ministries represented at the committee, who are relevant for the implementation of the strategy. The process of sub-committee formation is presented in Annex 1, Namelist of the experts and organizations who were part of the discussion is presented in Annex 2; participation channels and suggestions from the experts is presented in Annex 3; Name list of the representatives from the 10 ministries who were part of the discussion process is presented in Annex 4; Namelist of the Honorable Members of the committee is presented in annex 5 and Name list of the employees of the committee secretariat is presented in annex 6.

Part 2

Problems of the agriculture sector

Agriculture sector, which accounts for major source of livelihood for 83percent of the resident of the rural areas, has been prioritized as an important development sector since the third periodic plan, however, the expected development of this sector has not been attained. Though agriculture development were prioritized in majority of the plans and policies of the country, it never received the priority in terms of investment. The lack of budget for agriculture sector together with improper mobilization of the allocated resources within the stipulated timeframe is the prevailing situation in the agriculture sector. Due to untimely capacity development of the responsible channels for agriculture development and lack of good governance, the expected objective of the agriculture development project has not been met. The impact of this has been on food security of the country, as today, a nation that exported food has become net importer of it.

Based on the contribution of the agriculture sector in the National GDP, the sector is receiving only 10 percent of its needful budget from the state. Lack of capacity of the state to manage natural disasters like landslides and unstable land policies, have all obstructed the investment of the private sector in the agriculture sector. In absence of favorable policy environment, it has also been difficult to attain international investments in the agri-business and its industrialization. Till date, agriculture sector hasn't been able to establish as a business or industry. To mitigate the problems arising from natural disasters and other pertinent dangers, there is lack of insurance policies, easy accessibility of the insurance to the farmers and also management complications.

In the field of agriculture research there is minimum investment from the state, which accounts for 0.4% of the Agriculture Gross Production. The demand of the Agriculture Research Farmers hasn't been centralized as per the need of the state and addressing the potentialities of the geography. In addition to this, the outcomes/findings of the research haven't been able to reach the farmers at the right time. There is lack of coordination between agriculture research, extension and education. Lack of seeds and variety development and extension which are important criteria of agriculture production and shortage of important technologies and fertilizers, have impacted the increment in productivity thereby derailing the national target of production.

Though there is abundance of water, the irrigation facilities are limited to some arable lands only. Majority of the arable lands are reliant on rain water. Irrigation is the major hindrance in the agriculture production and productivity. The success of irrigation projects is based on the structure of the projects, allocation of budget and its management. Though there is budget allocated for infrastructure of agriculture sector, lack of coordination between government agencies hampers the context of infrastructure development. Due to lack of technical and management capacities of the community level the irrigation projects are not handed over to them. Also due to centralized decision making system big projects are concentrated at the central level.

Though rural roads have been prioritized for agriculture purpose, lack of accessibility to production materials and easy marketing of the agriculture products, have a negative impact on the productivity of the arable lands. There is lack of human resource in agriculture due to internal and external migration. In the shortage of rural electricity, the essential energy required for commercial and industrial agriculture, have obstructed the operation and success of agri-business. To promote technology based agriculture, which could minimize the investment in agriculture, requires uninterrupted power supply. But there is an imbalance between investments and returns. For instance-agriculture products like processing of rice requires processing units and new technologies. Since we do not have this, the rice is sent to India for processing and same product comes to our country with higher price.

There is lack of proper storage facilities for agriculture products like potato, onion, vegetables and fruits. Due to this, the products either get spoilt or are exported at minimum price and imported during the off-season at higher price. This imbalance has affected the expected development of agriculture products and ultimately there is an increment in national loss incurred through the lack of proper business in this sector. There is also a downfall in the exporting of products as the qualitative standard of the products lucrative for the market is not being maintained and also processing, packaging technology development, expansion and maintenance have not been done.

The subsidy provided in the fertilizers by the state since many years has been able to address only small part of

the national requirements. Fertilizer distribution system has not been proportional and inclusive and farmers in hard to reach areas has been barred from this facility. Since the nation has not been able to distribute fertilizers in appropriate quantity, time and place, there hasn't been expected growth in the agriculture production. There is lack of fertilizers, due to which, there are cases of it being imported through illegal means from India and also the quality is of low standard or expired. As the system and process to maintain the quality of the fertilizers is not there, this has affected the nation and the limited available resources and labor of the farmers.

There is increased migration of youth from rural areas for employment. In rural areas agriculture is the major source of employment which has not been able to create enough opportunities for all and also agriculture has not been able to transform its outlook as a respected job holding. Due to this, the role of agri-business is transforming into an occupation of women, elderly population and children. Development of agriculture is associated with the long term radical financial growth of the rural sectors. But lack of decentralization of agriculture policies and infrastructures, have cumulatively affected the rural development. The constellations of agriculture service providers and expert human resource, at the capital and district headquarters, have impacted the imparting of new scientific agriculture technologies to the rural areas. The existing monitoring and evaluation system doesn't reflect on the appropriate result of national investment in the agriculture service delivery. This has made the entire agriculture service, transparency and governance questionable.

This document will be able to bring a new whim of change by facilitating the on-going process of the Agriculture Development Strategy, by rightly capturing the past successes and failures. The strategy should not only be based on academic conclusions and international experiences, but it should be farmer friendly and having positive impact on the farmers. In order to bring drastic change in agriculture, the Agriculture Development Strategy should prioritize the essential factors of agriculture production i.e. water,land,forest,bio-diversity and agriculture infrastructure development, research and extension, transfer of technology,investment and appropriate management of the market. Failure of agriculture is also associated with the acts, rules and regulations. Lack of formulating timely acts based on the policy, ratification of legal provisions and making it farmer friendly, farmer act and agriculture development act are the reasons for derailing the development of the sector. Production also has not been able to get diversified, competitive and market oriented. Implementation of the strategy should not be incumbent upon ministry of agriculture only. The support from all concerned ministries and line agencies is also crucial. At the central level, lack of inter-ministerial coordination and at the implementation level lack of coordination and collaboration between relevant stakeholders is a challenge.

Part 3

Analysis of Agriculture Development Strategy

There have been many long term agriculture policies and strategies that have been implemented till date. The new Agriculture Development Strategy is in the phase of being formulated and then implemented, based on the review of the previous long term strategies and the reasons the targets were not met. In comparison to APP, ADS is structurally relevant and subject specific. ADS have analyzed the causes contributing to the failure of APP, identification of targets and indicators for the quantification of the attainment of the identified targets. Though there has been discussion with the donor agencies and stakeholders, there is lack of coordination with the farmers. During the process of this strategy development, there seems to be lack of discussion with the parliamentarians and political level. ADS has expected in the growth of agriculture sector and agri-business in the coming 20 years. To make these strategies successful, implementing agencies; political parties; other stakeholders and importantly: farmers engaged in agriculture, should be involved in the strategy formulation, participation in implementation and ownership. Incorporating all the relevant suggestions, this strategy should be made farmer friendly and implemented. ADS should focus on producing products that are competitive in the market based on the international standards. Agriculture development is not only the backbone of the development of the country, but also important component of food sufficiency and food rights. It is also related to justified legal ownership of land, social respect and pride. Poverty alleviation, food security and employment are crucial elements of Nepalese economy which are embedded with agriculture sector. Agriculture is a natural product and genetically produced that depends on natural resources, favorable and unfavorable water and environment conditions, is multifaceted in nature. This sector also has a direct or indirect relation to the 10 line ministries (agriculture, irrigation, water resource, supply, industry, cooperative, local development, physical infrastructure and urban development, finance and education). While formulating this strategy, horizontal and vertical interdependency and inter linkage between the ten ministries should be addressed to attain the focus of its goal. The committee has identified this lack of coordination in the present implementation scenario.

To ensure food security to the 66% of the population involved in agriculture and provides food security to the remaining 34% requires additional growth in production. The goal should be to export crops with comparative benefits to the two big neighboring countries, India and China. To facilitate this process, ensuring land ownership for farmers engaged in agriculture; easy accessibility for farmers to various resources required for agriculture production; growth in agriculture investment; to ensure at least 50% subsidy in agriculture productivity to marginalized farmers ; new management of farmers act and agriculture labor act; to give importance to agri-business together with the existing physical infrastructure for management and facilitation of the markets , should be the centrality of importance for the agriculture strategy.

Ensuring food sufficiency by depending on agriculture has been rightly addressed by the Interim Constitution of Nepal, 2063. Receiving guidance from this, restructuring of agriculture policy and present acts and redefining the guidelines. We all have understood that agriculture policy is for those involved in agriculture sector. Despite this there are problems of growth of agriculture production and business due to lack of land ownership and uprooting of jamindaari system, utilization of arable lands that have been left barren, stopping of land division. In this, plotting of land, farming through community and cooperative means and agri-business are important topic for growth in production. Water and irrigation are crucial elements for growth in production of agriculture. Land grabbing in the name of modernization of agriculture; business and aspirations of direct foreign investment, in agriculture leads to displacement of farmers from their land. This brings changes in farmer's labor as they do not have land to till and reside thereby enhancing the trend of squatter settlement and increment in unemployment in Nepal

Ministry of agriculture should also address the issues of the supply of food items from supermarket which is not suitable and supportive of the geographical diversification, water and environment diversification. Agriculture strategy represents Nepal and Nepalese national identity, pride, social justice, livelihood and food security, employment and main source of foreign income generation; therefore, it is important to restructure the strategy.

In spite its various positive aspect, the goal and expectations, is beyond reality and ambitious. There are many questions around this strategy like what would be the contribution of agriculture sector in the graduation to

the LDC status by 2022? How to maintain consistency between Vision, Objective, strategy and Programs? How to involve and represent the NGOs? Can the direct influence of the donors in Nepal be agriculture friendly? There is lack of commitment of government for the implementation of the strategy which is dependent on donors. Also it hasn't been able to address issues related to seed industry establishment, insecticides and chemical fertilizers and analysis of its impact.

The strategy hasn't clarified the following impending questions like what is the inter-linkage between agriculture and forest? Tackling agriculture, forest and agriculture tourism together? How have the new facts been used to facilitate the process? The impact of changes in water and environment in agriculture; self-sufficiency from household level farming?

There is also lack of actual and employment friendly suggestions to increase human resource strength in agriculture and encouragement for those getting into foreign employment. The strategy hasn't been able to provide satisfactory answer to the concerns relating to-soil testing, organic farming and identification of area for this, farmers' rights, land reformation to increase productivity, land ownership, implementation of policy related to land utilization and marginalized farmers' address, availability of land as per the structure of big agriculture, conservation of arable land and management to refrain from keeping land barren, inclusiveness in agriculture, women participation, identification and subject related to value chain management.

The strategy has been expected to play the role of revitalizing the possibilities of agriculture development in the current context of Nepal. Minimum investment in agriculture research, lack of system to unite the farmers, minimal availability of irrigation, fertilizers, seeds as well other minimal availability of important tools and infrastructure have all impacted the level and growth of productivity. There is lack of increment in the export of food and agriculture equipment. It is expected that all these crucial issues would be rightly addressed by the strategy.

Part 4 Summary

There was a need of agriculture strategy for overall agriculture development in Nepal and though it has been formulated at the right time, the strategy in itself doesn't comprise a complete documentation to guide the sector. Though there are some gaps, it can still provide an overall guidance to the sector. During the initial drafting process, there was no proper discussion with the farmers and at the political level. But it has been formulated in participation of the representatives from farmers, implementing agencies and other stakeholders. The Agriculture and Water Resource Committee brought into discussion the strategy, as the role of parliamentarians in formulation of policies and ownership of policies and strategies has been seen as important. When there is an ownership of parliamentarians and parliamentary committee of the policies, it is easy for the formulation of acts within these policies and proper implementation enriched by suggestions.

Though the strategy lacks clarity in some areas, it has been able to present the elements of agriculture sector development, problems faced by the sector and problems seen during the implementation of the previous long term agriculture plans. The strategy has also tried to mitigate the problems seen or identified earlier by providing subjective analysis of the problems. This strategy has tried to present overall structure of the agriculture development as well as farmer's rights. In its overall presentation there is expectation of high investment. For the agriculture transformation of small farmers there are some needs to be addressed. This document should come across as progressive and live document guiding the sector in its entirety.

There is incompatibility between the Vision, Objective, strategy and suggested programs of the strategy in the draft. To rightly address this, there is a need to analyze the suggestions and minutely dissect the strategy to find the right course of action. To translate the identified goals, it is important to subjectively analyse the important aspects like internal and external migration, water and environment friendly agriculture, food and nutrition security, agreement between other countries for business.

Agriculture Development Strategy involves multi ministry, multi stakeholder, organization and the subject matter is to be implemented in coordination with all. Therefore, the coordination between the multipartite and effective implementation has been the weakest link of the document. Embarking on the importance of the strategy in providing guidance to the agriculture sector for the next 20 years together with the acts, rules and regulation, budget and impact on the programs, the smooth implementation of the strategy, inquisitiveness among concerned stakeholders and participation and political ownership is important.

If the strategy is implemented in its current formation, this could present another example of unsuccessful agriculture policy. To curb this, importance of agriculture and its pre-identified five pillars, enhancement of the level of ministry of agriculture and human resource development and capacity development is crucial. For the implementation of the strategy inter-ministerial coordination is essential due to which the supervision of the implementation should be done by the prime minister or deputy prime minister as suggested by the committee.

Taking foreign help (subsidy and loan) has been our need and also the current development model. The donor organizations subsidy and loan support model, includes many conditions together with indirect interference in the rights of the loan takers and weakening the role of government. Accepting the foreign support by being subservient to all the conditions of the donor and escapism and making other the scapegoat has been the current trend. While taking any foreign support, we should ensure that the management should be given to us and an establishment of a system which regulates the consultancy fee should not more than 2% of the total investment.

The committee had discussed so as to ensure the involvement of stakeholders and farmers that were missed during the formulation of the strategy and incorporation of missed out topics; ownership of political parties and others; clarity on resource mobilization and finally proper implementation of the strategy. For the success of ADS, STAKEHOLDERS participation, commitment, action plan and coordination from formulation to the implementation phase is important. The committee expects that these suggestions will be taken seriously and based on this make changes in the existing framework for the optimization of the outcome of the strategy. These important discussions and summary will not only be paper based but helping to translate into a live document. The committee will also closely monitor the implementation of the strategy. For this, in every three months' progress reporting to be done by the ministry of agriculture to the committee and as per need the committee will make further discussions with the relevant stakeholders. This mechanism will help to instill additional responsibility and ownership and thereby for the smooth implementation of the strategy.

Part 5
Suggestions

SN	SUGGESTIONS	
1	Vision	“Farmers’ prosperity, food sovereignty through overall development of agriculture sector as rural industrialization” needs to be included in the ADS preamble.
2	Clarity on principles	<ul style="list-style-type: none"> • The principle ideology for formulation of the ADS needs to be defined, whether it is “Food Security” or “Right to Food” or “Food Sovereignty”. • If it is <i>Food Sovereignty</i>, related goals and objectives, plans and programs needs to be added. <i>Food Security</i> aspect needs to adequately addressed. • The interrelationship between water, forest and land needs to be an inseparable criterion for agriculture development, while formulating strategy • The ADS should have clear provision for followings: Farmers engaged in agriculture production, Land, Irrigation, Fertilizer, Seed, Modern Technology, Agriculture Extension Service, Agriculture Infrastructure, Storage for agricultural products, Value Chain, Market Linkage, Subsidy and Easy Access to Financial Services for Farmers • Clarity on Foreign investment and resource mobilization (how and in what sectors)
3	Roadmap	<p>Additional different as well as clear roadmap needs to be outlined for promotion of commercialization of agricultural products having comparative advantages and for food-oriented agriculture</p> <p>While doing this:</p> <ol style="list-style-type: none"> 1. A clearer and separate roadmap for a self-sustained agriculture system based on small farmers and the services and investment for them needs to be prepared for food-oriented agriculture. 2. Business of comparative advantaged products and cash crops needs to be promoted. A separate business, strategic suggestions for separate investment and services for farmers and agriculture enterprise.
4	Growth of agriculture production and productivity	<ul style="list-style-type: none"> • ADS has identified that Nepal requires 5 percent annual growth in agriculture sector. The document needs to show the roadmap how the growth in agriculture productivity can contribute in graduating Nepal from the Least Developed Country (LDC) to Middle Income Country (MIC). • An additional program to translate the outlook of community farming, cooperative farming and contract farming into reality for improved farming practices needs to be in place. • There should be an easy access to production technologies. Accordingly, subsidy given for production technologies, expansion of agriculture extension service and its effectiveness should be clearly provisioned. • Ways to be adopted for proper storage, processing and marketing and promotion for export of agricultural products based on the need and their availability should be adopted.
5	Investment and Implementation	<ul style="list-style-type: none"> • Investment for the ADS implementation has always been a complex issue. The basis for adequate investment and its appropriate management, ending the inadequacies of investment environment as faced during the implementation of previous agriculture related plans and policies, should be ensured. • The role of the Ministry of Finance for the ADS implementation, including financial management will be crucial. Like other ministries, MoF as a key actor for the ADS should be included. • A provision for making easy process for loan and subsidy to farmers should be done. The should also be taken into the consideration. A mandatory provision of loan disbursement by considering intangible investment made by the farmers as investment cost and by allocating 50% weightage on the total value of agriculture project and 50% weightage on the total price of security

6	Co-ordination and collaboration between implementing agencies	<ul style="list-style-type: none"> • Agriculture is a multi-sectoral and multi-dimensional sector. The effectiveness of the structure and mechanism formed for the coordination and collaboration among ADS implementing agencies (ministries, local level actors and private sectors as per their need) should be enhanced in order to make ownership for the ADS implementation • Different roles and responsibilities have been envisaged for achieving the goals of the ADS, however, there is lack of clear framework outlined to decide the scope of responsibilities of these ministries. A clear role for different agencies needs to be specified before ADS goes into the implementation along with ensuring uniformity in plans and programs from different ministries. • ADS have recommended to have different implementation arrangements. Despite creating several implementation structures, there seems lack of provision for taking responsibility in case ADS implementation is not successful. At the level of the Prime Minister (PM) or Deputy Prime Minister (PM), there needs to take the leadership for ADS implementation. For successful implementation of this strategic plan, inter-ministerial coordination is very crucial and therefore the PM or DPM needs to take the leadership for its implementation. • The central focus should be at the local level i.e. at the farmers rather than at central or regional level, given our geographical diversity and social disparity. The legal provision to make local agency a key responsible agency for the coordination, monitoring, evaluation, facilitation and implementation for desired results, should be arranged. • An arrangement for mobilization of Agriculture Technicians through local level needs to be in place. • There should be clarity about ADS implementation mechanism after the country goes into the federal structure. • ADS should adopt policies to encourage the local farmers playing a leading role in their community to unite and to present suggestion and inquisitiveness in favor of the famers' interest.
7	ADS Trust Fund	<ul style="list-style-type: none"> • ADS trust fund should be transparent and there should be a clear provision for cost expenditure for increase in production and commercialization.
8	Monitoring, Evaluation and Regulation	<ul style="list-style-type: none"> • There is lack of clarity over ADS regulation. There seems the overall responsibility lies only with the Ministry of Agricultural Development despite there are structural arrangements for planning, implementation and supervision for the ADS. There needs more clarity for monitoring strategy, process and structure proposed in the ADS to make it more effective. MoAD is to formulate of plan and policies, do the financial management and facilitate. The provision for M&E from third and independent party should be made more effective for making the concerned agency accountable based on their recommendations.
9	Human resources	<ul style="list-style-type: none"> • For effective implementation of ADS, human resource development and capacity enhancement should be given priority. Agriculture education, research and extension; agriculture university, school and agriculture research Centre establishment and expansion. Agriculture education to be managed from school level. Drifting apart from blanket approach, to provide education and services based on Geographical orientation and sensitivity. To support in the harmonization of Agriculture education, research and extension and for coordination to create inter-ministerial channel with prefixed TOR (EDUCATION AND agriculture). For agriculture expansion, creating the locally stationed schools as the focal point. • To manage awareness raising class in secondary school by agriculture experts, once a month, on topic related to benefits of Organic agriculture products and use of organic fertilizers to include agriculture related topics in teachers' training. • NARC to provide technologies from service oriented viewpoint. Coordination

		<p>between council and university.</p> <ul style="list-style-type: none"> Quality and Niche product are competitive; farmers developing technology should be encouraged.
10	Long term land management	<ul style="list-style-type: none"> For agriculture, land reforming is important. To address the difficulty of the agriculture land, ADS in coordination with Ministry of Land Reform and Management, should prepare an action plan (to be mentioned in the strategy) with regard to land utilization and management. Formulation of plan for utilization of the land for agriculture sector. The growth of residence in agriculture friendly land has an impact on it. Therefore; settlement development should be managed in resident area only. Land utilization policy should be implemented to protect the agriculture land from being developed as resident area. For Landless farmers (free kamaiya, free kamlahari, free haliya, haruwacharuwa, dalit and backward classes) manage them safe residence and contractual land with all agriculture facilities to be provided for income generation. There should be mechanism for proper monitoring and evaluation while giving the land. For agriculture production and productivity, the role of agriculture tiller (tenants) is crucial. In spite of the abolition of dual ownership, nearly more than 4 lakh unregistered have been working on others farm for livelihood generation. There can be no growth in agriculture production and social justice unless the landless farmers are managed. ADS should look to resolve this conflict. Proper management of land owned by previous royal families, big land owners, religious organizations and guthi. Plotting of agriculture land is an important aspect of increment in agriculture production. Proper management of the plotting through Community, co-operative and private business. Based on this, those who want to work on the community farming system should be given allocated dimension of the land and also manage 50% subsidy from the production of the first year. There should be proper legal reformation for this. Only tax cannot regulate the non-farming of land and keeping it barren. Therefore, alternative management needs to be done.
11	Irrigation	<ul style="list-style-type: none"> With regard to the irrigation in ADS, there is incompatibility between the goal and financial target and the investment for it and working mechanism /structure and data and investment provided by the ministry of irrigation and department. This incompatibility has to be resolved and move the program ahead in a coordinated way.
12	Seed Distribution	<ul style="list-style-type: none"> Protection, preservation and promotion of Traditional and local seeds and saplings. For this, participatory research management in the involvement of lead farmers. Protection of patent rights. Participatory research facilities. Encouragement to farmers for seed production and to provide insurance facilities to these farmers. Also to encourage private and cooperative sector in seed production for business through seed industry management.
13	Organic Agriculture	<ul style="list-style-type: none"> To promote organic farming in hilly regions, provide subsidy to farmers for organic certification and promotion of compost fertilizers. Development of "organic zone" and pocket package approach for promotion of organic production.
14	Fertilizers	<ul style="list-style-type: none"> Easy and free accessibility of fertilizers so as to increase the agriculture production for the growing population. There is no factory for chemical fertilizers in Nepal, establishment of it is essential.
15	Timely and ecology	<ul style="list-style-type: none"> Programs which aide in the protecting of land ecology and climate change minimization should be implemented. Management of the impact of landslides, flood and other natural disasters should be given priority.

		<ul style="list-style-type: none"> In Agriculture development related projects, agriculture and forest or land and water relations should be addressed. Also in coordination between ministry of forest and ministry of agriculture promote herbal products and its business. ADS have not addressed about forest industry especially NTPFs. It hasn't addressed about agro-forestry too. All these need to be rightly addressed.
16	Financial and other support to farmers	<ul style="list-style-type: none"> To classify the farmers based on the update of the agriculture census and provide their identity card based on this. Monitoring of the services provided to farmers by the government. Availability of credit card to the farmers. Pension fund establishment for agriculture labors. Simplification of the procedure for registration of agriculture related industry Formulation of necessary strategy after farmers' classification. To guarantee self-dependent food security, provide 50% subsidy in the agriculture investment of farmers to increase productivity in every inch of the land. Formulation of work plan to regulate the market from local mechanism and its monitoring. Provide subsidy to farmers in the transportation of agriculture logistics in hard to reach areas. In every VDC one cooperative market, collection and distribution center. To provide subsidy in agriculture technology and raw materials, to farmers who are willing to start agriculture business To create employment for Farmers who are unemployed during seasonal time. Proper evaluation of the contribution of women in agriculture, identification of women farmers, land ownership and special priority in agriculture facilities.
17	Insurance	<ul style="list-style-type: none"> While planning for new model insurance plan provide fund to the insurance agencies. Insurance related dangers are high and until there is proper medium for insurance, the insurance business cannot take place. For this, private sector investment to be properly mobilized and the model insurance to be established by the Government in high return sector and then replicate in other areas.
18	Value chain	<ul style="list-style-type: none"> Though the strategy has given priority to value chain there is limitation. ADS hasn't given much attention to fruits, flower farming, spice related products, bee farming, fish farming and poultry. These need to be included in the value chain as they are important from ecological viewpoint, nutritious, promotion of export and also important for employment generation.
19	Crop protection and agriculture tourism	<ul style="list-style-type: none"> Crop towards extinction to be protected and also growth promotion. High value speciality herb crops such as Yarsagumba also known Caterpillar Fungus (<i>Ophiocordyceps sinensis</i>), Guchi Mushroom (<i>Morchella esculenta</i>), fritillaria bulbs (<i>Fritillaria cirrhosa</i>) locally known as Ban lasun, Paris polyphylla locally known as Satuwa, Himalayan Spikenard, also called nard, Himalayan Yew locally known as Lothsalla (<i>Taxus wallichiana</i>) and Chiraito can be farmed commercial with development of technology. In addition preservation of locally available Kaguno, Kodo, Fapar and Jau can increase agriculture tourism. Therefore improving the value chain of locally available food is important. To drive Agro-tourism, increased production of local food and agricultural crops as well as emphasizing locally available foods and recipes can stimulate local economy as well as showcase diversity. Marsi variety of Rice which is a cold tolerant variety of rice sets the record for being grown at the highest elevation upto 3000 meters above sea level. Protection of Marsi variety, its development and expansion in its production including other agricultural crops is required.
20	Cold Storage	<ul style="list-style-type: none"> Based on the production, cold storage units to be established on suitable place.
21	Food hygiene and quality	<ul style="list-style-type: none"> Recent measurements were done to upgrade the quality of the food laboratories. Animal Slaughterhouse and Meat Inspection Act is to be implemented as soon as possible for ensuring the safety and wholesomeness of meat, poultry, and processed egg products.

22	One Home One Garden Initiative (Homestead Garden)	<ul style="list-style-type: none"> • A homestead garden should be established within each household to maximize the production of seasonal fruits, vegetables and cereal.
23	Intellectual Property	<ul style="list-style-type: none"> • Though Intellectual Property Law has been formulated in Nepal, laws for crop security and environment protection has not been incorporated. As Intellectual Property Law is important for establishing entrepreneurial and businesses related to cattle and agriculture, Ministry of Agricultural Development has coordinated with Ministry of Industry to clear out the rights and information related to Intellectual Property Law.
24	Other	<ul style="list-style-type: none"> • The annex includes discussion and suggestions done in various stages which needs to be included while drafting a strategy. • Government of Nepal should make all the policy, strategy and written documents in Nepali language in order to aide every citizen to understand them. • While drafting of any policy or strategy, it should be discussed in the Parliament or concerned thematic Parliamentary Committee and the policy should be formulated after taking feedback from the parliamentarians. This will also ease while formulating related acts or regulations.

**Review Report from the National Planning Commission
On Agriculture Development Strategy**

Background

As the agriculture sector contributes more than one third to the gross domestic product of the country and nearly two thirds of the population depend on this sector for their livelihood and employment, this sector can be considered as the main component of the Nepalese economy. Similarly, as the Interim Constitution of Nepal 2007 has recognized food sovereignty as a fundamental right of the people and adopted a policy to establish agriculture as an industry, the importance of this sector is increasing. Taking the ever-growing food prices worldwide, daily migration of productive human resources abroad and increasing agricultural labor shortage into account, there is an urgent need for a timely Agriculture Development Strategy as a tool to achieving the goal of creating income and employment, decreasing poverty, achieving sustainable and balanced development, attaining food and nutrition security, and increasing the contribution of the agriculture sector to economic transformation by making agriculture a dignified occupation, combating emerging challenges like the negative impact of climate change and internalizing important aspects such as improved seeds and technology favorable to the country's geographical context, the desire of agricultural entrepreneurs and marginalized groups, Millennium Development Goals, commercialization of agricultural and livestock products.

In the above context, this twenty-year strategic plan proposal, which has been drafted in collaboration of the Ministry of Agricultural Development and National Peasant Coalition and with support from national and international institutes and organizations, properly examined the past of the agriculture sector and made significant efforts to illustrate a bright future path by deeply analyzing the present situation.

There are no two opinions that the sincere efforts and collaboration made by all involved in proposal development have made suitable efforts to show the ground on which the agriculture sector, which is the mainstay of the people of a predominantly agricultural country like ours, lies, as well as the path to be adopted in the days to come in order to raise the living standard of Nepalese through development and scaling up of the sector. The Strategy has also expected alleviation of rural poverty from the strengthened coordination between the agriculture sector and other sectors concerned by bringing about broader changes in the agriculture sector structure in the next 20 years, which is an appreciable aspect.

After receiving a proposal for suggestions and based on written and oral advice from within the National Planning Commission and of informants and scholars of other sectors concerned, as well as interactions, the following suggestions have been presented to make the Agriculture Development Strategy (ADS) more refined, effective and goal oriented:

Policy issues

In order to attain expected achievements through the successful implementation of a timely agriculture development policy or strategy, a policy seems to be more effective and fruitful if the gap between pre-policy situation and present situation is analysed deeply. Such analyses will help us get rid of problems that hinder the attainment of the goal of the agriculture sector.

- While adopting a new policy or strategy and putting the need for the policy on top priority, it seems appropriate that 'a need for an Agriculture Development Strategy' is also mentioned in the beginning, not at the end. In addition, as ADS is a reliable guideline for the uplift and development of the agriculture sector of Nepal, attention should be focused on establishing ADS as a real strategic document, not as a project.
- Mentioning clearly in the Strategy about the current sectorwise investment of the government, private sector and other stakeholders, and how much this investment (in percentage) should be in the next period seems to be helpful for the investor and the government to make decisions in time.
- To make more effective, the following points are suggested to revise some phrases in the policy
 - Situation and sovereignty to be added after the last phrase in Vision;
 - Increase agricultural productivity and production to be put in No.1 of Strategic Framework of the ADS, and food sovereignty to be added after Food and Nutrition Security in No.1 of the same Table;
 - Higher and wider level to be added after the first **at** of Prominent Issue; and the following points to be added at the end of the same Box;
 - Support from other relevant stakeholders;

- Stability of other agro-commodity prices; and
- Trade imbalance issues.
- An analysis seems to be done regarding the possibility of minimum support price and related practices so far in issues discussed and agreed with National Peasant Coalition. In addition, to commercialise the agriculture sector through policy and replace import by identifying agricultural products used in cosmetic commodities and scaling up of the production of those products, a clear idea should appear in ADS.
- To achieve the mission of enhancing employment and reducing poverty by increasing agricultural production and productivity, the policy or strategy should include effective programmes capable of addressing and managing continuous deforestation and the ever-decreasing number of livestock farmers.
- The Strategy should address the backward group and section. It will enhance their ownership and accountability. As a result, it will help to sustain the development of the agriculture sector.

Issues related to data

- Data are a tool which complements our knowledge and enables us to materialise our findings and exploration. Therefore, if **growthforecast** included in the strategy proposal could be based on real data, it seems to be one of the strengths of the policy or strategy. In addition, as data mentioned in Phases of the ADS of the report appear to be collected in 2011, they seem to be updated in order to identify real scenarios.
- Increase in irrigated areas increases the production of crops. Therefore, as it is not logical to present data that show the production rate of rice lower than the increase rate of irrigated areas, it seems to require rethinking. In addition, the goal in the strategy is to reduce trade deficit to zero in the next five years, which has no reliable grounds. It seems to require rethinking regarding whether or not it is possible to achieve the goal.

Institutional issues

- Policy, institutional and process aspects have an important role to play in the successful implementation of a programme. As agriculture is a sensitive sector associated with the daily livelihood of the people, the policy or strategy should be able to properly guide for the strengthening of this sector, paying attention to the changing political context and state restructuring.
- Research, extension and agri-education system to be added in Productivity of Restructuring and Strengthening of Priorities of the ADS.
- Under the Composition of ADS Implementation Committee, please write Hon. Member (Agriculture) NPC instead of Hon. VC (NPC) in Officiating Members and add Hon. Member (Agriculture) NPC in Co-ordinating Committee, nutrition expert 1 and the word concerned after Secretaries from. There should be Nominated by Maximum 2 GoN in the last bracket of the same paragraph.
- Hon. Member (Agriculture) NPC to be added on top of Officiating Members of National ADS Co-ordinating Committee, and DOA, DOI and DOLIDAR, NARC, Food Technology and Quality Control Department to be added in Sub-committee of the same Box.
- Given the present context that a large number of people are of the opinion that the main reason for inability to implement policies in letter and spirit and achieve expected outputs, in order to achieve specific objectives of the agriculture policy by regularly and periodically monitoring and evaluating quality, quantity and cost aspects of every activity, the role of the National Planning Commission seems to be given priority in implementation and monitoring and evaluation of ADS.
- To ensure that the target group and section have easy access to services and facilities by taking the present context for the goal-oriented implementation of policies and programmes into consideration, the policy or strategy should be able to clearly guide towards broader changes in the structure of the Ministry of Agriculture Development with the purpose of operating a smart, efficient and effective organisation as per the changing context.

Research area

- To adopt a modern agriculture system and enhance access to it by making agriculture-related studies and researches result oriented, there should be a clear concept about the National Agriculture

Research System and agriculture-related other institutions in the strategy. In addition, as there is no clarity about investment in the research area, it should be made clear in the policy or strategy itself.

- It seems to be mentioned clearly about how to take research forward at Community Agriculture Development Centre. In addition, the strategy should clearly guide regarding how to link agriculture research, education and extension.
- As it is not clear whether NARC structuring is related to the research system or institution, the policy or strategy should clearly explain the aspects to be restructured and the pattern to be built after restructuring.

Capacity development area

- The doer of every activity or development is the human resource. Therefore, we can be oriented towards our goal if we become successful to prepare the right persons at the right time and in the right context for the successful implementation of the policy or strategy. Considering this fact, it is necessary to mention about human resource management and empowerment in the agriculture sector. In addition, there is a need for a human resource development strategy to attract people to the agriculture sector.
- As agriculture research cannot be effective without strengthening bio-technology, it is necessary that proper programmes are included in ADS for strengthening bio-technology.

Food and nutrition

- Food security has four main pillars: availability, access, use and stability. The first pillar totally depends on agriculture. Therefore, it is imperative that agriculture policy or strategy pay attention to properly addressing food and nutrition aspects. In this context, taking into account the long-term vision of ensuring the right to food sovereignty by strengthening all aspects of food and nutrition security in the Thirteenth Plan, food and nutrition-related issues should be mentioned with priority in the policy or strategy. In addition, food and nutrition-related responsibilities should be determined without ambiguity and duplication for the Ministry of Agriculture Development and the Ministry of Health.

Private sector issue

- The private sector has been involved as a partner in production, distribution and employment creation since the country has adopted open economy. Given the context that significant development works are in operation in public-private partnership on one hand and the private sector is focused more on immediate benefits than on long-term benefits on the other, it is necessary that a policy capable of attracting the private sector to agricultural enterprises and businesses is adopted.
- To enhance the feeling of ownership of the private sector over agricultural activities and ensure the environment for investment, the role of the private sector should be clearly defined in the action plan. Determining the percentage of contribution (at least 205%) of the private sector/community in Cost of the ADS will be helpful for providing additional security.
- If an investment-friendly environment is created to attract private sector investment in the agriculture sector, the opportunities for the economic development and employment in the country will be enhanced through the agriculture sector. Therefore, there should be proper policy arrangement towards this end.

Issues of other related sectors

- As agriculture is a multifaceted sector, a subject, sector or agency that is directly or indirectly concerned with a policy should not be ignored while developing an agriculture-related national policy. If ignored, there will be difficulty implementing such a policy successfully. Therefore, a policy may be successful if it can properly address the issues of stakeholders or sectors while developing it. In addition, the policy should cover the following suggestions :
 - There should be clear commitments from institutes for agriculture inputs (seed and fertiliser).
 - There should be clear commitments from donors regarding investment (which area and period) in the agriculture sector.
 - Commitments from Irrigation Department
 - ADS to be adjusted in land use policy

- Local-level basket fund should be clearly mentioned in the strategy (Is it possible? If yes, on what basis?).
- Important issues, such as climate change and federalism, which may influence the implementation of the policy or strategy, should be paid attention to.