

Objectives of the project

The overall objective of the action is to promote climate resilient, green economic growth of Sudurpashchim and Karnali provinces.

The specific objectives of the action are (1) increased profitable participation in value chains that are based on sustainable and climate-resilient agricultural ecosystems and (2) improved climate-resilience and sustainability of market-oriented productive agricultural ecosystems.



Background

Today, the production patterns of Nepal's agriculture are highly climate sensitive and vulnerable to climate change. The climate change scenarios for Nepal suggest that the climate in Nepal will be significantly warmer and wetter in the future, even though a decrease in precipitation during the pre-monsoon season is predicted. Indices of climate extremes related to temperature and precipitation suggest that more extreme weather events are likely. This will impact the agriculture sector which employs 66 % of the workforce, while only generating 27 % of the gross domestic product. Nepal produces different agricultural products like cardamom, tea, coffee, ginger, lentil, vegetables. How exactly climate change will complicate specific crops and agroecosystem sustainability requires more detailed analysis. While essential framework conditions for sustainable, value chain-based economic development at the community and provincial levels are not in place, agricultural value chains are not sufficiently adapted to the impacts of climate change. Potentials arising from the participative and inclusive production of knowledge adapted to the local context and the exchange of information remain untapped.

The theory of change

The Action's main strategic focus is aiming at strengthening agricultural ecosystems able to produce for local, regional and national markets using climate smart technologies and practices.

To reach this goal, the project cooperates with a variety of stakeholders who engage in (1) planning at the local level, (2) action research, (3) the roll-out of tested approaches and the (4) dissemination of knowledge and experience which includes policy dialogue at all levels as well as outreach to intermediaries serving the sector beyond the project duration.

Through field of action (FA) 1 governance capacities at municipal and provincial level for steering and guiding the development of selected, prioritized climate-smart value chains with high impact on local, rural target groups are strengthened. Participatory approaches will ensure shared learning, cooperation and networking between government actors on the local level and value chain actors as well as service providers, NGO and research organizations.

Based on priorities and objectives deriving from field of action 1 and from focus groups on farmer and cooperative level, in field of action 2 the project supports the identification and piloting of innovative approaches for climate resilient and water-efficient production (action research). The focus will lie on



approaches with a particularly high impact on the local economic development among the target groups. By engaging young students already in action research, the project will open an avenue to shape their perspectives on agriculture and entrepreneurial opportunities in the future.

In fields of action 3 via intermediaries such as NGOs, capacities of farmers, cooperatives, producer groups, agro-enterprises and other value chain actors are strengthened through training and organizational development to apply best practice generated from action research to render their production more climate-resilient and water-efficient); likewise, these groups are supported through training and networking for market linkages to better connect their production with sustainable marketing channels including improved post-harvest handling and processing. Through a funding mechanism which aims at matching available public resources from the local and provincial level replication efforts will be financed.

Field of action 4 focuses on making available best practice and recommendations from the project to value chain actors outside of the project intervention area. This will be done through training and conferences, policy dialogues and multi-stakeholder dialogues. By this, the project intends to contribute to scaling up of best practices – on the provincial level as well as on the wider national level.

The Action foresees annual information meetings for stakeholders on national level. Wherever possible, these meetings should be combined with technical learning formats, such as workshops and labs, reaching out to stakeholders beyond the partner provinces.

Main activities

Activities supporting the envisioned changes are:

- ✓ Organization of stakeholder meetings at local level
- ✓ Organization of innovation platforms for targeted value chains in partner municipality clusters
- ✓ Advisory of municipalities and local stakeholders in the sector on local planning processes making them more relevant to climate change adaptation and inclusive local economic growth
- ✓ Setting-up of a co-financing mechanism for local investments in climate-smart value chains
- ✓ Action research on climate change related challenges along targeted value chains in the project regions
- ✓ Integration of local students in action research and integration of research approaches in universities
- ✓ Training of intermediary organizations such as local NGO and cooperatives and cooperative associations on tested approaches
- ✓ Support to intermediary organizations for the rolling-out of tested approaches to around 16.000 farmers
- ✓ Networking and knowledge exchange between research organizations, intermediaries, (i)NGO and value chain actors
- ✓ Outreach to all policy levels

Organization

The project is implemented under the responsibility of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Activities will be coordinated by a joint project management team, which will involve the main partners.

A steering committee shall be set up in a cross-provincial format on provincial level, involving the funding partners (can be represented by GIZ upon request), the *Provincial Ministry of Land*

Management, Agriculture, and Cooperative (MoLMAC), the Provincial Ministry of Industry, Tourism, Forest and Environment (MoITFE), local and international (N)GOs involved in the project as well as research institutions and intermediaries such as cooperative and farmers’ associations. It will discuss the work plan (yearly operational plan), progress reports and advise on strategic decisions regarding the implementation of the project. The steering committee will be chaired by the *Ministry of Land Management, Agriculture, and Cooperative (MoLMAC)*, the political partner of the project.

GIZ, together with national and local NGO will provide technical assistance and advisory on strategy processes on local level, aiming at the improvement of economic governance (field of action 1).

It is planned that the *International Centre for Integrated Mountain Development (ICIMOD)* coordinates the action research activities which are to be implemented together with universities present in the provinces (field of action 2). International organizations like LUKE will support these processes.

GIZ will coordinate capacity development for intermediary organizations supporting the rolling-out of tested approaches (field of action 3). Specialized organizations such as LUKE and national NGOs will be engaged to support this process.

ICIMOD will be a major actor in the fourth (4) field of action which aims at networking, increased cooperation between stakeholders and policy advice.

Implementing organizations

GIZ

Other main implementing organizations are yet to be identified.



Ministry for Foreign Affairs of Finland

Partners of the project

- ICIMOD
- LUKE university (Sweden)



Other main stakeholders

Smallholder farmers, potentially cooperatives and cooperative associations, NGO, municipalities and provinces.

Local universities, students, possibly Nepal Agricultural Research Council (NARC)

Region

Sudurpashchim and Karnali Provinces in Nepal

Funding and co-funding

EU	€ 4,150,000
Ministry of Foreign Affairs of Finland	€ 4,000,000
German Federal Ministry for Economic Cooperation and Development (BMZ)	€4,200,000
Total budget	€ 12,350,000

Duration

5/2021-12/2024