



Sindhuli Road Corridor
Commercial Agriculture Promotion Project (SRC-CAP)

CAP APPROACH:

**Guidelines for
Local, Provincial and Federal Governments**



February 2020

Ministry of Agriculture and Livestock Development
of the Federal Government of Nepal
Japan International Cooperation Agency

Backgrounds

Sindhuli Road, which links Kathmandu valley and Terai was constructed by Japanese Grant Aid. In order to prepare for the expected changes by the opening of the Sindhuli Road, Government of Nepal (GON) with the technical assistance from JICA, launched the project for the Master Plan Study on High Value Agriculture Extension and Promotion in Sindhuli Road Corridor (SRCAMP) from April 2011 to March 2014 and drafted the Master Plan and Action Plan to implement prioritized projects.

Based on the request of Government of Nepal (GON), Japan International Cooperation Agency (JICA) supported to the then DOA/MOAD for a technical cooperation project which aims at increasing farmers' agriculture income through establishing a value-chain for high value commodities along Sindhuli Road Corridor through Sindhuli Road Corridor Commercial Agriculture Promotion Project (SRC-CAP). The Project team has developed an effective market-orientated horticulture extension approach which is named Commercial Agriculture Promotion (CAP) Approach after its Project name.

CAP Approach aims at the behaviour and mind-set changes in farmers so that they can manage their farming as business with their own initiatives. Many farmers tend to grow their crops first, and when the harvest season approaches, they rush to find buyers for their produce. As consequence, they tend to sell their produce at low prices. CAP Approach promotes farmers to visit to markets and to directly communicate with buyers to collect the information on trend of demand, and to maintain the communication with buyers to obtain updated information. Based on such information from markets, farmers decide what to grow, when to grow and how to sell their crops. This is the behaviour and mind-set changes from "Grow and Sell" to "Grow to Sell". To bring about such changes in farmers, CAP Approach adapts the SHEP Approach¹ developed by JICA in Africa into the Nepali context.

¹ JICA (2018) *SHEP Handbook for Extension Staff: Practical Guide to the Implementation of the SHEP Approach*, Japan International Cooperation Agency, Tokyo

Preface

We are very glad to present the Operational Guidelines of the Commercial Agriculture Promotion (CAP) Approach. This is an output of the “Sindhuli Road Corridor Commercial Agriculture Project (SRC-CAP)”, which has been implemented for five years between 2014 and 2020 by the Ministry of Agriculture and Livestock Development (MOALD) through the Department of Agriculture (DOA) with the technical and financial assistance from the Japan International Cooperation Agency (JICA).

SRC-CAP aimed at facilitating smallholder farmers to shift their mind-set and behavior from “Grow and Sell” to “Grow to Sell”, in order for them to increase their agriculture income by undertaking market-oriented agriculture. To this end, the project enhanced the knowledge and skills in vegetable farming and marketing of the target farmers and officials and staff of the three tiers of government of Nepal, by adapting the SHEP Approach of JICA into the reality of the target farmers.

The Operational Guidelines consist of the following three volumes. First, “The CAP Approach Handbook for Extension Staff” explains the concept behind as well as the procedure to facilitate farmer groups to carry out a series of the CAP Approach activities. This volume is targeting the extension staff of the local governments and other organizations, which are involved in providing agricultural extension services to farmer groups.

Secondly, “The Manual for Training to Extension Staff to Promote the CAP Approach” provides the concept behind as well the procedure to conduct a series of training on the CAP Approach. This volume is targeting to the officials and staff from Ministry of Land Management, Agriculture and Cooperatives (MOLMAC); Agriculture Development Directorate (ADD) and other organizations of the provincial governments, providing technical backstopping to extension staff.

Finally, “The CAP Approach Guidelines for Local, Provincial and Federal Governments” explains to decision makers and officials of the three tiers of governments of Nepal, about the concept behind as well as the procedure to apply the CAP Approach within their own jurisdictions in view of the promotion of market-oriented agriculture to smallholder farmers.

These three volumes were produced based on the experiences and lessons learnt through the implementation of SRC-CAP, with inputs from DOA, MOLMAC and ADD of Province 3, the 10 Local Governments of Dhulikhel, Namobuddha, Roshi, Temal, Melung, Khandadevi, Sunapati, Sunkoshi, Golanjor, Kamalimai, and the JICA Project Team for SRC-CAP.

In conclusion, I would like to express my sincere congratulations and appreciation to all the stakeholders from the institutions mentioned above for achieving the project objective and for producing this set of Operational Guidelines. I also extend my cordial thanks to JICA for its cooperation in the implementation of this important project. Even after the completion of SRC-CAP, all stakeholders will coordinate and collaborate to promote market-oriented agriculture to our smallholder farmers by referring to the Operational Guidelines. I hope that as many stakeholders and farmers as possible have opportunities to touch and apply this precious CAP Approach.

February 2020, Kathmandu



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ABBREVIATIONS

Abbreviation	Original Name
ABPSTC	Agri-business Promotion and Support Training Centre of provincial government
ADD	Agriculture Development Directorate of provincial government
AKC	Agriculture Knowledge Centre of provincial government
CAP	Commercial Agriculture Promotion
DOA	Department of Agriculture of the federal government
FF	Field Facilitator
FG	Farmer Group
JICA	Japan International Cooperation Agency
JT	Junior Technician (Extension staff)
JTA	Junior Technical Assistant (Extension staff)
MOAD	Ministry of Agriculture Development (up to 2018) of the central government
MOALD	Ministry of Agriculture and Livestock Development (from 2019) of the federal government
MOLMAC	Ministry of Land Management, Agriculture and Cooperatives of provincial government
OJT	On-the-Job-Training
SHEP	Smallholder Horticulture Empowerment and Promotion
SMS	Subject Matter Specialist (Extension staff)
SRC-CAP	Sindhuli Road Corridor Commercial Agriculture Promotion Project
TOT	Training of Trainers

PART 1. BACKGROUND

1.1 Paradigm change the CAP Approach brings

The Sindhuli Road Corridor Commercial Agriculture Promotion Project (SRC-CAP) was implemented as one of the technical cooperation projects between the Government of Nepal and the Government of Japan, for the period of 5 years from March 2015 to March 2020. The Project aimed at promoting market-oriented vegetable farming to small-holder farmers of Kavre, Ramechhap, Dolakha and Sindhuli Districts by facilitating farmers' mind-set change from "Grow and Sell" to "Grow to Sell".

Farmers are used to produce their crops first, and to look for buyers of their produce when the harvest time approaches. However, in this way, it is not easy for farmers to get a good price and in the worst case, they cannot get buyers for all the volume of their produce.

SRC-CAP, to the contrary, has encouraged farmers to first obtain the demand information, such as the variety, timing of sales, size and packing forms of crops, from markets prior to the selection of crops to be cultivated. Subsequently, farmers are actually encouraged to build business relationship not only with buyers but also with agriculture inputs and service suppliers by keeping in touch with them to exchange information.

Based on the information obtained from buyers and suppliers, the farmers develop their own "business" action plan and they will implement it. Thus, when the harvest time approaches, farmers already know to whom they are selling their produce at what price. In this manner, farmers can make sure that they can remain with profit.

1.2 Tested impact of the CAP Approach

To promote such a mind-set change, the Project formulated the CAP Approach by adapting the Smallholder Horticulture Empowerment and Promotion (SHEP) Approach of JICA to the actual circumstances of farmers in the said four districts.

As a result of the application of the CAP Approach, beneficiary farmers, on average, increased their net profit at the household level from vegetable farming by almost 80% (from NPR 20,332/HH/year to NPR 38,287/HH/year) within one year of application of the Approach, between 2075 and 2076 (during the 1st and 2nd seasons of the 3rd cycle), as illustrated in Figure 1.

More importantly, the farmers and extension officers who have acquired farming and marketing skills through the

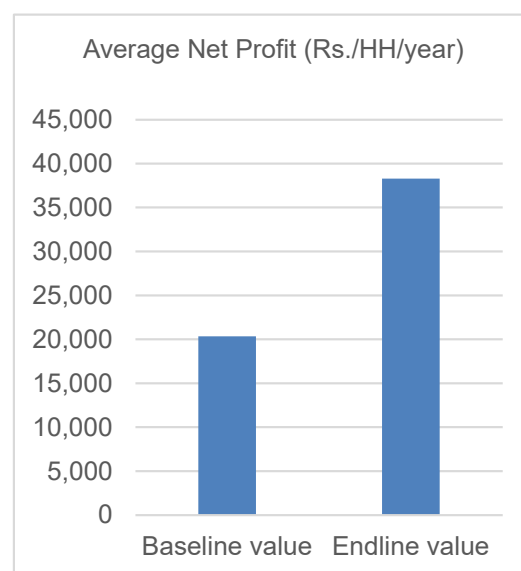


Figure 1: Increase in average net profit of the target FGs during the first year of the 3rd cycle (2075/2076)

Source: SRC-CAP

Project activities continue applying them on their business (vegetable farming and extension services) on their own, even after the termination of the Project.

1.3 To make more farmers benefitted from the CAP Approach

The CAP Approach is an effective agriculture extension approach to promote market-oriented vegetable farming to smallholder farmers.



As a result of the Federalization reform, the government structure was altered, and the federal, provincial and local governments were established. Consequently, the functions of agricultural extension services were devolved to local governments. Meanwhile, the provincial

governments are tasked to financially and technically support the local governments and farmers in their agricultural technical service delivery. The federal government remains responsible for the policies, standards and regulations of the extension services as well as for the provision of subsidies and agriculture inputs in an effective manner.

In order for the Project to enhance the sustainability of the CAP Approach and its replicability to new regions, districts or municipalities of Nepal, the Project developed this Guidelines for Local, Provincial and Federal Governments as part of the Operational Guidelines of the CAP Approach.

The Project is also aware of that the Local Government can hire agriculture extension services from the private sector, including international and local Non-Government Organizations (NGOs), as well as commercial firms. This Guidelines will remain also useful for those Local Governments that are going to hire private sector services to perform their agriculture extension function.

PART 2. PURPOSE OF THE GUIDELINES

This Guidelines aims at providing each of the Local, Provincial and Federal Governments of Nepal with guidance on how to apply the CAP Approach within their own jurisdictions in view of the promotion of market-oriented agriculture to smallholder farmers.

This Guidelines cannot go alone and should be referred to as part of the 3 volumes of the CAP Approach Operational Guidelines, namely, the Handbook for Extension staff, the Manual for Training to Extension Staff and the Guidelines for the Local, Provincial and Federal Governments of Nepal. The main target users of each volume of Operational Guidelines are illustrated in Table 1 and Figure 2.

Table 1: The main target readers of the 3 volumes of Operational Guidelines

Volume of Operational Guidelines	Main target users	Affiliated institution
Handbook for Extension Staff	Extension Staff	<ul style="list-style-type: none"> Local Government Private sector (firms, international and local NGOs)
Manual for Training to Extension Staff	Trainers to Extension Staff	<ul style="list-style-type: none"> Provincial Governments Private firms (firms, international and local NGOs)
Guidelines for the Governments	Decision makers, officers in charge of planning and budgeting	<ul style="list-style-type: none"> Local, Provincial and Federal Governments

Source: SRC-CAP

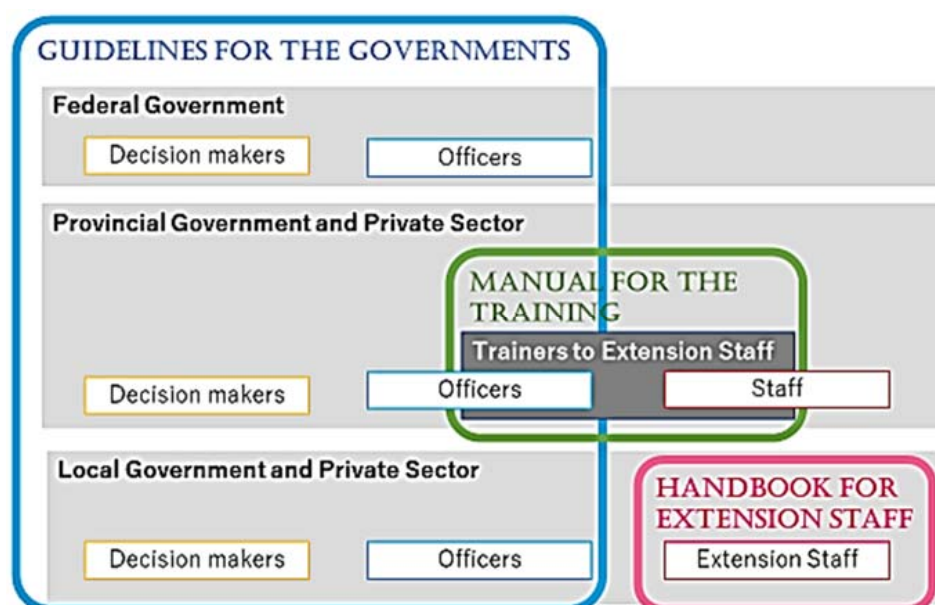


Figure 2: Distribution of the main target readers of each volume of Operational Guidelines

Source: SRC-CAP

PART 3. OVERVIEW OF THE CAP APPROACH

3.1 Purpose of the CAP Approach

The CAP Approach aims at the mind-set and behavior change of smallholder farmers from “Grow and Sell” to “Grow to Sell” so that they can be self-reliant and established as market-oriented farmers.

In Nepal, there are still many farmers who first start to grow any crops recommended by officers of the public and private sectors. When the harvest time approaches, they suddenly start to look for buyers (“Grow and Sell”). Thus, many farmers end up selling their produce to those buyers whom they do not know very well at a lower price than their expectation.

The CAP Approach promotes a paradigm shift. It encourages farmers to seek for information on demand in markets first, and to make necessary decisions for their agriculture business by analyzing the information collected. More precisely, with the CAP Approach, when farmers buy seeds of crops, they are supposed to already know to whom to sell their produce, which variety of which crop, when, in which size and how (“Grow to Sell”).

In order to make this paradigm shift happen, the CAP Approach strengthens farmers' farming and marketing skills in accordance with the annual action plan prepared by themselves.

3.2 Two Key Supporting Pillars

The Two Pillars as the backbone of Approach

CAP Approach, which adapts the SHEP Approach, aims at empowering smallholder farmers in their endeavor to pursue market-oriented agriculture of horticultural crops. It tries to build farmers' capacity to undertake farming as a business in a sustainable manner through imparting necessary marketing and production skills to them. In the process, CAP Approach attaches a special emphasis on supporting farmers' autonomous motivation as it is an essential ingredient for achieving farmers' self-reliance and sustainable outcome that CAP Approach envisions. The diagram below depicts these two pillars CAP Approach is based upon, which address both issues of "promoting farming as a business" and "empowering and motivating farmers". Both pillars, which are the backbone of CAP Approach, are supported by academic discourse and research: the former by an economic theory called "Markets with asymmetric information" and the latter by a psychological theory called "Self-Determination Theory".

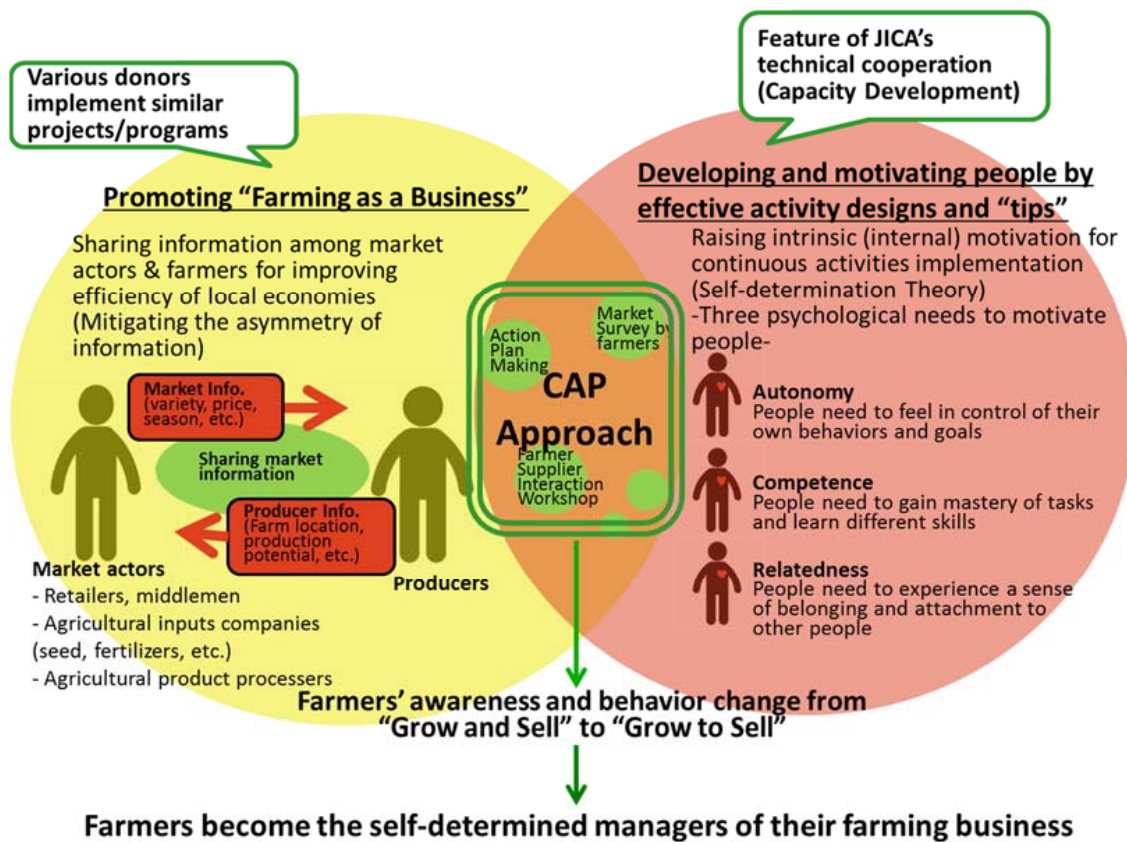


Figure 3: Two pillars of CAP Approach

Source: JICA 2018 edited by SRC-CAP

The Economic Theory: Markets with Asymmetric Information

The circle on the left illustrates CAP Approach's main strategy for materializing market-oriented, as opposed to production-oriented, agriculture. CAP Approach believes asymmetric information, i.e. imbalanced information, between smallholder farmers and market actors such as vegetable buyers, agricultural input sellers, and financial institutions and so forth is one of the strongest factors of

inefficient local economy, which smallholder farmers often suffer from. The economic theory called “markets with asymmetric information” proposed by the 2001 Nobel laureates in economics, namely, George Akerlof, Michael Spence, and Joseph E. Stiglitz, aptly explains this situation. The theory argues that overcoming information asymmetry is the key to amend an imbalance of power in transactions and to vitalize efficient local economy. Based on this understanding, CAP Approach helps farmers to fill the information gap between them and their business partners through means such as teaching farmers how to conduct market surveys as well as helping them to establish business linkages with market actors (Column 1).

Column 1 Mitigating information asymmetry by CAP Approach



PROBLEMS caused by asymmetric information

- Trade, i.e. buying and selling of horticultural crops, is not established because buyers cannot find producers and vice versa, crops are not meeting the market requirements, and crops are undersupplied at certain times, etc.
- Prices can be distorted because farmers need to agree to unfairly low asking prices due to their ignorance of market prices.
- Transactions are not continuous or unstable because buyers as well as producers cannot establish business networks they can trust.
- Transaction costs, such as searching and bargaining costs, are large because without stable business relationships both buyers and producers need to find their business partners each time.

SOLUTIONS through means such as CAP Approach’s farmer-initiated market surveys, matching forums and farmer-supplier interaction workshops

RESULTS after mitigation of asymmetric information

- Farmers widen their business networks and have more options to choose from for their business partners.
- Farmers and market stakeholders understand each other’s situations and work on establishing a win-win situation.
- Farmers discover various opportunities to penetrate the horticultural market.
- Farmers and market stakeholders build trust for continuous business trading.



The Psychological Theory: Self-Determination Theory

American psychologists, Edward Deci and Richard Ryan, proposed three psychological needs that motivate people in their theory on human motivation called “Self-Determination Theory”. According to the theory, people feel motivated when their needs for autonomy, competence or relatedness are supported. In the case of CAP Approach, a series of activities are designed so that they can unlock farmers’ motivation toward market-oriented agriculture, taking into consideration these three psychological needs (Column 2). For instance, farmers are guided to conduct market surveys on their own so that they can feel in control of their own action, which leads to supporting their need for

autonomy. By carrying out market surveys successfully, the farmers also feel that they have gained mastery (skills and knowledge) of this particular task and learned new skills. Finally, CAP Approach asks those farmer representatives who have conducted the market surveys to go back to their farmer group and share the results of the surveys with their fellow farmers. Through that process, the farmers feel a sense of belonging and attachment to the group members, which in turn, contributes to supporting their psychological need for relatedness.

Fulfilling Two Requirements for Sustainability

CAP Approach's strength lies in the fact that all its activities are designed to fulfil both requirements maintained in the above-explained economic and psychological theories at the same time. In other words, CAP Approach tries to mitigate the asymmetry of information in the market while it also supports farmers' psychological needs for autonomy, competence or relatedness. Because of this dual-purpose intervention, the target farmers' awareness and behaviour change from "Grow and Sell" to "Grow to Sell" will be realized, and they will be able to manage their farming business on their own initiative even without external support once they have completed the CAP Approach training course. CAP Approach's vision is, after all, to train farmers to become self-reliant so that they can continue developing their farming business and improve their livelihoods without creating dependency syndrome.

Column 2 Three psychological needs for raising motivation

AUTONOMY

The need for autonomy is the desire to act on one's own initiative – or rather, the desire to not be controlled by others. People do not want to be the pawn in a chess game, but the chess player.

In order to support farmers' needs for autonomy, extension staff are advised to prepare opportunities for farmers to know and feel the market by themselves through their own actions such as market survey by themselves with adequate orientation by extension staff. These direct experiences could contribute to supporting autonomy more than simple information provision by extension staff. Also, extension staff need to be careful of the language and should never order or command farmers to do a task. They also need to communicate to the farmers the rationale for engaging in each of the CAP Approach activities, provide choices in terms of what task to do and how to do it, and listen to their opinions on how to do the task. Accepting farmers' feelings of discontent and criticism toward the task is also important since the farmers will feel their viewpoints are regarded as meaningful, which, in turn, promotes the feeling that they are acting on their own initiative.



COMPETENCE

Competence is the ability to interact effectively with one's environment. We feel competent when we have successfully made an impact on our environment, in cases such as when we are able to achieve a task as planned in advance, or when we feel that our abilities are improving and when our curiosity is satisfied.



To provide competence support to farmers, it is necessary to breakdown the goals of the task into small steps and increase the numbers of milestones at which they can feel the impact of their action. In addition, it is also important to be specific about what farmers are doing well so that they gain knowledge that will be useful in judging how well they are doing. To both ends, it is helpful to make farmers understand why, when, and how much they need to do in order to attain each of the small goals or milestones.

RELATEDNESS

Relatedness is the desire to have good relationships with others. The relationship between the person giving the task and the person receiving the task has a big effect on the latter's motivation towards the task. As an extension staff, being trusted by the farmers undertaking CAP Approach activities is the most important thing for relatedness support. In order to build trust with the farmers, extension staff are advised to listen attentively to what the farmers have to say in their CAP Approach engagement and to be both physically and psychologically available for the farmers so that they can rely on them.



3.3 CAP Approach's Four Essential Steps

Four Essential Steps

With reference to the Self-Determination Theory, CAP Approach offers a series of capacity development trainings to the target farmers in such a way that the farmers' motivation is raised through supporting their three psychological needs and minimizing the information asymmetry. For instance, CAP Approach gives farmers various trainings in an optimal order. This order is called "CAP Approach's Four Essential Steps" as depicted below.

Further, it is recommended for extension staff to facilitate farmer group members reflecting each step in order to utilize the lessons and learnings for the next season's activity.

Table 2: 4 Steps of the CAP Approach

Four Steps	Activities
1. Farmers understand the goal	- CAP Approach Workshop
2. Farmers' awareness is raised	- (Optional) Matching Forum - Market Survey by Farmers - (Optional) Farmer Supplier Interaction Workshop - Participatory Baseline Survey - Study Tour
3. Farmers make decision	- Action Plan Making (Crop Selection, Crop Calendar Making & Resource Mobilization)
4. Farmers acquire skills	- On-site Coaching
Follow-up and monitoring (including Participatory Endline Survey)	

Step 1. Farmers understand the goal

First and foremost, Extension Staff regards sharing its goal and vision with the beneficiary farmers as the crucial first step because it is the farmers themselves, after all, who make the most effort to materialize economically viable farming business throughout the training course. Farmers need to be convinced of, and agree with, the goal CAP Approach tries to achieve. Organizing the **CAP Approach Workshop** is a specific way to share this goal with the target farmers.

Step 2. Farmers' awareness is raised

The second step is concerned with raising farmers' awareness in the area of opportunities and potential of horticultural farming. This step is extremely important since without this awareness the farmers have less chance to be motivated in making a commitment to change their farming practices for the better. This step mainly involves exposing the farmers to business and market realities. Activities for Step 2 include **Matching Forum** (as an optional activity), **Market Survey by Farmers, Farmer-Supplier Interaction Workshop** (as an optional activity), **Participatory Baseline Survey by Farmers** conducted by farmers themselves and **Study Tour**.

Step 3. Farmers make decisions

With the awareness and new knowledge, the farmers gained in the second step, they then make decisions to make a change. This is the third step called **Action Plan Making**. This process involves farmers (1) selecting target crops, (2) making crop calendar and (3) mobilising resources so that they will be able to strategically supply their target crops to the specific markets of their choice with the right timing.

Step 4. Farmers acquire skills

As the fourth step, the extension staff provide technical solutions in farming and marketing challenges to the farmers, i.e. give **On-site Coaching** for the crops the farmers selected, so that they can produce the crops as they have planned.

3.4 Interlinkage Between Motivation and Skills Development

Why does the CAP Approach take the rather time-consuming four steps instead of jumping to the 4th step, On-site Coaching? It is because CAP Approach believes that farmers need to first be motivated for them to learn and acquire new skills. CAP Approach considers that the series of training activities should take into consideration the interlinkage between farmers' motivation and skills development. As shown in the diagram below, if the farmers are not motivated, it will be difficult for them to learn

something new. On the other hand, if they can feel their skills are improving, their self-confidence will be strengthened, and they become motivated to take further action.

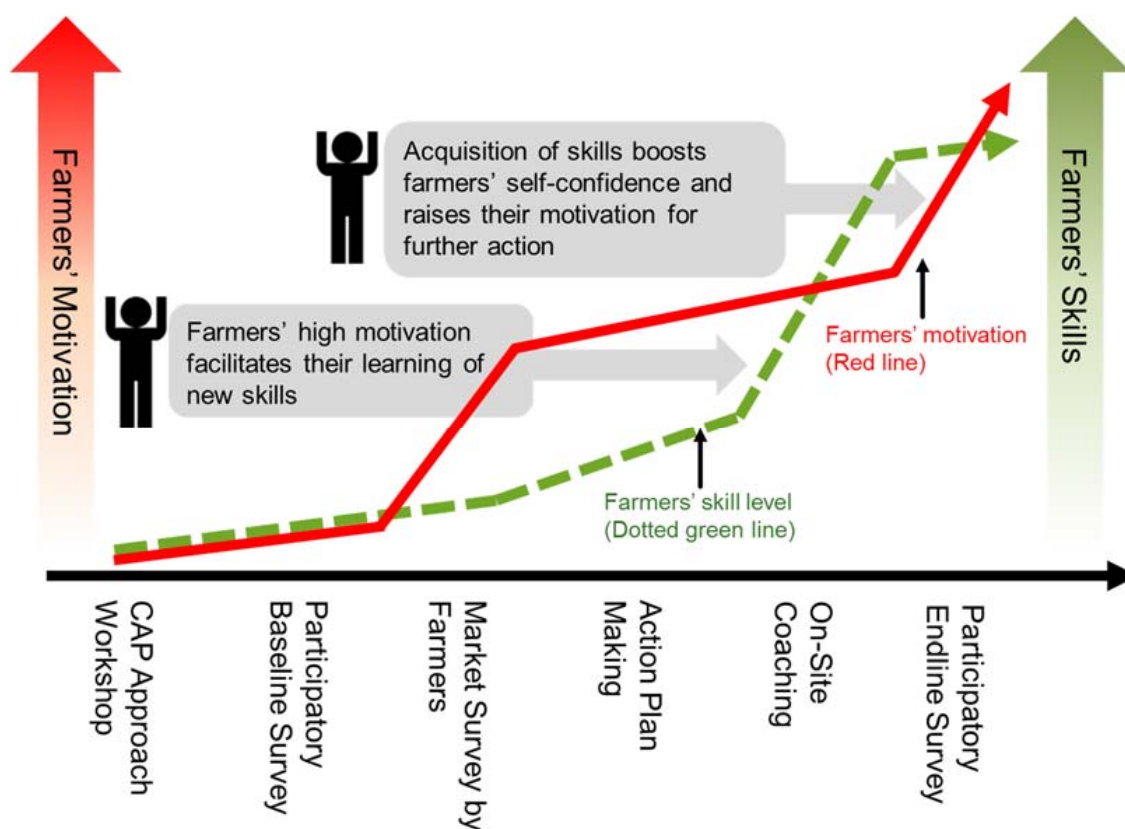


Figure 4: Interlinkage between motivation and skills development

Source: JICA 2018 edited by SRC-CAP

CAP Approach's four steps, or the optimum order of activities, which was examined and validated in Nepal, take into full consideration this interlinkage between farmers' motivation and skills development. Therefore, it can bring optimal results on the ground in terms of farmers' skills acquisition and high motivation.

3.5 "Gender and Social Inclusion" in the CAP Approach

In line with ADS 2015-2035, CAP has also given emphasis on Gender and Social Inclusion (GESI) as one of the major cross cutting thematic area and incorporated it's thrust in all the activities. The project believes that one of the keys for success in market-oriented vegetable farming is that those members from the same household or family, including husband and wife, work as business partners by sharing the responsibility, burden and benefits incurred by their vegetable farming and marketing.

The CAP Approach promotes joint decision making on farming and marketing by those business partners from the same household or family throughout the following activities:

- 1) Providing a GESI training to the Farmer Group members at the initial stage so that they understand the importance of GESI perspectives in market-oriented agriculture;
- 2) Encouraging women and marginalized members to take the decision making positions (chairperson, secretary, treasurer etc.) in the group to make their voice heard;

- 3) Providing equal opportunities to male and female Farmer Group members for all kinds of capacity development activities to enhance their knowledge and skill on commercial farming;
- 4) Encouraging the Farmer Group members to keep the Farm Management Book and share the status of farming with other family members;
- 5) Encouraging the Farmer Group members to share lessons learnt from the project activities with other family members so that decision in vegetable farming and marketing are jointly made by their business partners at the household level;
- 6) Inviting the business partners of the Farmer Group members to other important activities of the project, such as action plan making, on-site coaching and reflections to facilitate them to reach an agreement or consensus in their farming and marketing.

3.6 Implementation Steps

The figure below is the illustration of the implementation steps. As explained earlier, the CAP Approach has 4 basic steps. After farmers receive assistance on these 4 steps in the first crop season, they continue some of these 4 steps in the second season in the first year. With the lessons learnt from the first year, farmers can become more strategic in production and marketing in the second year. It is recommended for effective results that farmers continue the cycle for 4 crop seasons in 2 years. For further details in implementation steps, refer to “1. Selection of CAP Approach Activities” in PART 3 of the Handbook for Extension Staff.

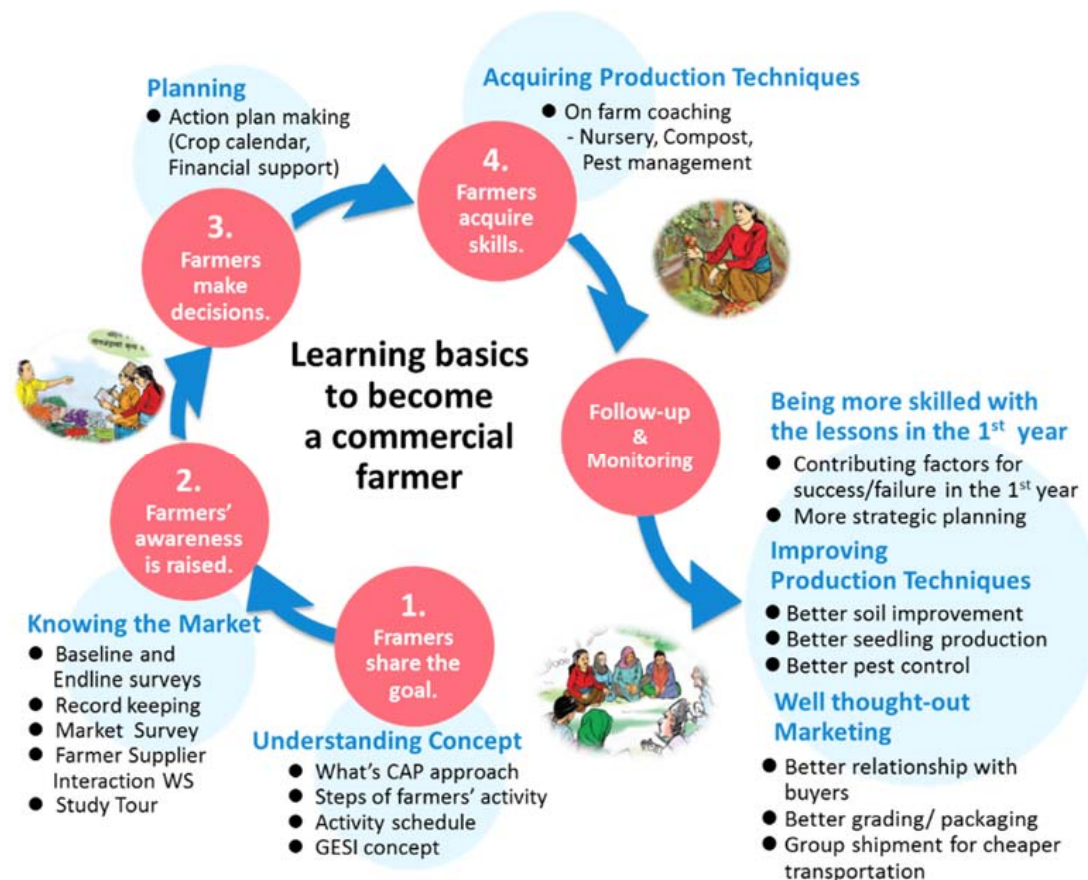
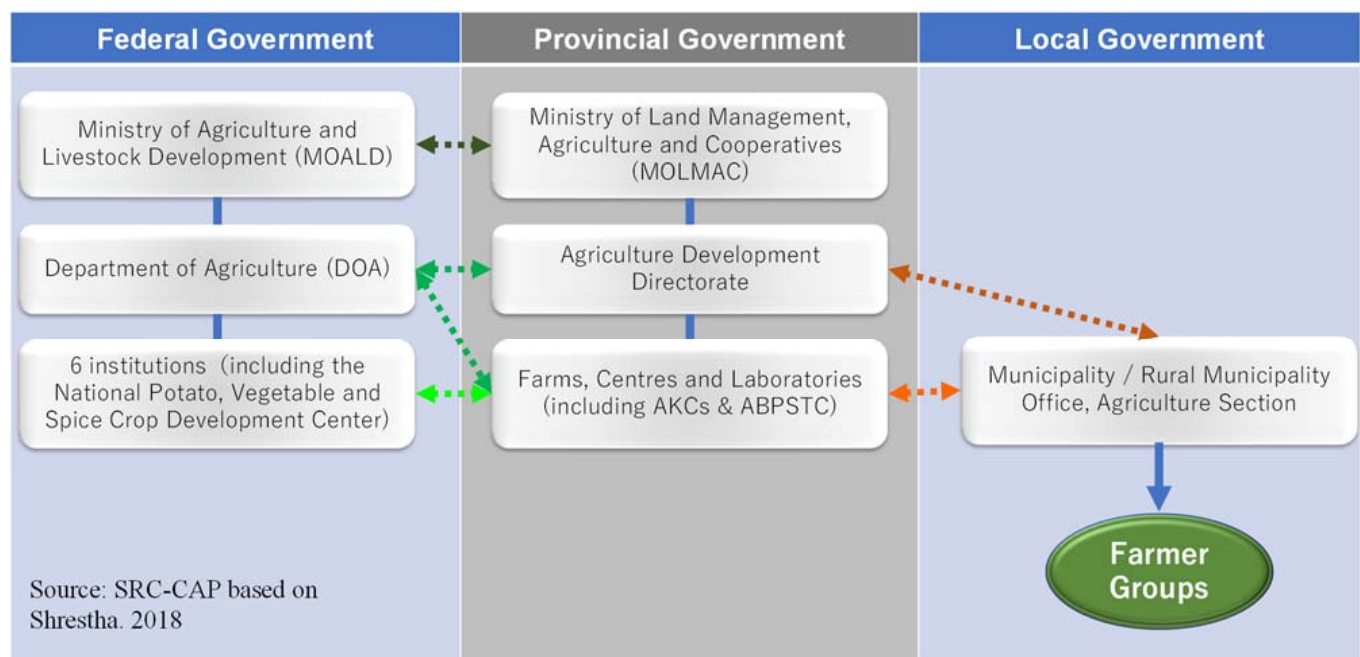


Figure 5: Flow of the activities of a season

Source: SRC-CAP

PART 4. EXPECTED COORDINATION AND COLLABORATION AMONG THE GOVERNMENTS

The 2015 Constitution stipulates the distribution of functions in the agriculture sector among the Local, Provincial and Federal Governments, as state in Annex 1. At each tier of the Local, Provincial and Federal Governments, there have been put into place several institutions which can contribute to the Agriculture Extension Services as shown in Figure below.



Both the Federal and Provincial Governments are equipped with farms, centres and laboratories for research and training in the vegetable farming and marketing, while it is not easy for the Local Governments to have their own facilities for the same purposes with necessary human resources, equipment and budget. Therefore, while the function of agriculture extension services is given to the Local Governments, it was envisaged that the Federal and Provincial Governments would provide necessary technical and financial backstopping to Local Governments in tandem with the provision of relevant national or provincial policy and plans.

For the three (3) tiers of governments to effectively contribute to the extension service delivery, there should be put into place a collaboration and coordination mechanism among them. Such a collaboration and coordination mechanism may facilitate any tier of government to effectively and efficiently introduce and apply the CAP Approach. Or, more practically, through the joint application of the CAP Approach, the three tiers of governments may go together establishing and strengthening an effective collaboration and coordination mechanism, which can be applied to the extension service delivery for any other projects, too.

Those expected roles to be played by each of the Local, Provincial and Federal Governments in the application of the CAP Approach are shown in Table 3 below. Please note that this distribution of roles

will remain as proposal, and each government may decide details of their roles and how to coordinate and collaborate with other tiers of government. The Local Government may hire private sector services to deliver the services to farmer groups or to enhance the services provided by their Extension Staff.

Table 3: Distribution of roles among the Local, Provincial and Federal Governments

Tier	Institution	Expected roles in the application of the CAP Approach
Local	Municipality, Rural Municipality Office, Agricultural Section	<ul style="list-style-type: none"> (1) To understand the CAP Approach and analyse pros and cons of the application. (2) To endorse the CAP Approach as one of the Approaches of the Local Government to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP activities into plans and the annual budget. (3) To make an inventory of accessible markets for farmers of the jurisdiction as base for the CAP Approach. (4) To select the beneficiary farmer groups by setting criteria in accordance with the actual circumstances and conditions surrounding farmers (in a transparent manner). (5) To provide an enabling environment to the Extension Staff to apply the CAP Approach with the selected FGs. (6) To establish and strengthen the mechanism of technical backstopping to Extension Staff in collaboration with provincial government and any other relevant organizations. (7) To give monitoring to the project sites of the CAP Approach within the Municipality/ Rural Municipality, and give feedback to its assembly, the extension staff, farmer groups and other governments or organizations in collaboration.
Provincial	MOLMAC, Directorate of Agriculture Development, AKC and other farms, centres and laboratories	<ul style="list-style-type: none"> (1) To understand the CAP Approach and to analyse pros and cons of the application. (2) To endorse the CAP Approach as one of the Approaches of MOLMAC to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP activities into plans and the annual budget. (3) To disseminate the CAP Approach to the Local Governments of the same province. (4) To provide training to officers of Local Governments on the CAP Approach, upon request. (5) To support AKCs and relevant farms, centres and laboratories to establish and strengthen the mechanism for technical backstopping to Extension Staff in collaboration with DOA, Local Governments, and any other relevant organizations.

Tier	Institution	Expected roles in the application of the CAP Approach
		(6) To give monitoring to the project sites of the CAP Approach within the province, and to give its feedback to its assembly and the concerned Local Governments.
Federal	MOALD, DOA	<p>(1) To understand the CAP Approach and to analyse pros and cons of the application.</p> <p>(2) To endorse the CAP Approach as one of the Approaches of MOALD / DOA to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP approach into its domain (including planning and the budgeting).</p> <p>(3) To disseminate the CAP Approach to all the seven (7) provinces of the country.</p> <p>(4) To give monitoring to the project sites of the CAP Approach and give feedback to MOLMAC and Local Governments, and any other relevant organizations in collaboration.</p>

Source: SRC-CAP

PART 5. ROLES TO BE PLAYED BY LOCAL GOVERNMENTS

5.1 Overview of the roles

The Local Government is expected to play the following seven roles to apply the CAP Approach.

- (1) To understand the CAP Approach and analyse pros and cons of the application.
- (2) To endorse the CAP Approach as one of the Approaches of the Local Government to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP activities into plans and the annual budget.
- (3) To make an inventory of accessible markets for farmers of the jurisdiction as base for the CAP Approach.
- (4) To select the beneficiary farmer groups by setting criteria in accordance with the actual circumstances and conditions surrounding farmers (in a transparent manner).
- (5) To provide an enabling environment to the Extension Staff to apply the CAP Approach with the selected FGs.
- (6) To establish and strengthen the mechanism of technical backstopping to Extension Staff in collaboration with provincial government and any other relevant organizations.
- (7) To give monitoring to the project sites of the CAP Approach within and out of the Municipality/ Rural Municipality, and give feedbacks to its assembly, the extension staff, farmer groups and other governments or organizations in collaboration.

5.2 Details of the roles

- (1) To understand the CAP Approach and analyse pros and cons of the application.



First of all, Local Government may want to understand the CAP Approach by reading the set of the Operational Guidelines of the same Approach, by collect necessary information through the related seminars or trainings provided by the Federal or Provincial Governments or through some interviews with former beneficiary Local Governments and farmer groups. Based on the sound understanding of the Approach, Local Government will analyze pros and cons of the application of the CAP Approach to decide whether it applies the Approach or not.

The CAP Approach may bring about the mind-set and behaviour changes of smallholder farmers in agriculture, and once such a mind-set and behaviour changes are observed in the beneficiary farmers, they can be self-reliant in the management of their farming and marketing. However, to make such a mind-set and behaviour changes happen, the CAP Approach requires an intensive care of the same target farmer groups by Extension Staff at least for the consecutive two years.

Possible pros and cons of the Approach can be analysed as follows.

Table 4: Possible pros and cons of the application of the CAP Approach

Pros	Cons
<ul style="list-style-type: none"> ◆ Beneficiary farmers understand how markets work and get to know how to manage their farming activities even when prices of their produce are at low. ◆ Beneficiary farmers acquire knowledge and skills in vegetable farming and marketing. ◆ Beneficiary farmer household members understand the importance of working together as business partners. ◆ Beneficiary farmers increase their income from vegetable farming if they properly apply knowledge and skills that they have learned from the CAP Approach. ◆ Beneficiary farmers, extension staff, suppliers and buyers build and maintain their communication network. ◆ The Extension staff also acquire necessary knowledge and skills in market-oriented vegetable farming. 	<ul style="list-style-type: none"> ◆ The Extension staff may need to spend a great deal of their working hours for the application and management of the Approach. ◆ Only the limited number of farmer groups can benefit from the investment of the Local Government at once. ◆ It takes at least a year to see tangible effect on the beneficiary farmer groups.

Source: SRC-CAP

In addition to the comparison analysis of pros and cons, it is expected that the Local Governments analyse the circumstances surrounding the farmers in their jurisdiction to enhance market-oriented agriculture. For some parts of Nepal, vegetables may not be the best commodity to promote the market-oriented agriculture, due to the geographical and hydrometeorological conditions surrounding the

farmers. On the other hand, the CAP Approach may work not only on vegetables but also on other commodities, such as cereals, fruits, livestock, etc., as long as the commodities are supplied to the market.

Thus, the Local Governments are encouraged to analyse the circumstances of their farmers in terms of access to water and markets, climate, elevation, etc. so that potential commodities are identified prior to the decision on the application of CAP Approach is made.

Moreover, the combination of the CAP activities should be examined based on the actual availability of human and financial resources on the ground. The combination of activities that SRC-CAP adopted was the full package of activities, however, it is possible for the Local Governments to adjust the number of activities in accordance with the resources to be allocated to the CAP Approach application.

Details of how to select and combine the activities without significantly undermining effect of the Approach are explained in the section 2, PART 3 of the Handbook for Extension Staff of the Operational Guidelines of the CAP Approach. As reference, a summary of both the full package and the minimum package are illustrated in Table 5 and Table 6 below, respectively.

Table 5: Full package of the CAP Approach

Four Steps	Activities	Cost (Rs/group)
Year 1: 1st Crop Season (all activities are conducted)		
1. Farmers understand the goal	- CAP Approach Workshop	6,000
2. Farmers' awareness is raised	- (Optional) Matching Forum	12,900
	- Market Survey by Farmers	20,850
	- (Optional) Farmer Supplier Interaction Workshop	12,850
	- Participatory Baseline Survey	2,950
	- Study Tour	37,350
3. Farmers make decision	- Action Plan Making (Crop Selection)	3,650
	- Action Plan Making (Calendar Making)	3,650
	- Action Plan Making (Resource Mobilization)	3,650
4. Farmers acquire skills	- On-site Coaching (Compost Making)	9,500
	- On-site Coaching (Nursery Making and Transplanting)	9,500
	- On-site Coaching (Plant Protection)	9,500
	- On-site Coaching (Post-Harvest Handling and Marketing)	9,500
Follow-up and monitoring (including Participatory Endline Survey)		2,950
Year 1: 2nd Crop Season		
3. Farmers make decision	- Action Plan Making (Revision on Crop Selection)	3,650
	- Action Plan Making (Revision on Calendar Making)	3,650
4. Farmers acquire skills	- On-site Coaching (Nursery Making and Transplanting)	9,500
	- On-site Coaching (Plant Protection)	9,500
	- On-site Coaching (Post-Harvest Handling and Marketing)	9,500

Follow-up and monitoring (including Participatory Endline Survey)		2,950
Financial support for 1 st year	50% of Action Plan	200,000
Year 2: 3rd Crop Season		
2. Farmers' awareness is raised	- Market Survey by Farmers	20,850
	- Study Tour	37,350
3. Farmers make decision	- Action Plan Making (Crop Selection)	3,650
	- Action Plan Making (Calendar Making)	3,650
	- Action Plan Making (Resource Mobilization)	3,650
4. Farmers acquire skills	- On-site Coaching (Plant Protection)	9,500
Follow-up and monitoring (including Participatory Endline Survey)		2,950
Year 2: 4th Crop Season		
3. Farmers make decision	- Action Plan Making (Revision on Crop Selection)	3,650
	- Action Plan Making (Revision on Calendar Making)	3,650
4. Farmers acquire skills	- On-site Coaching (Plant Protection)	9,500
Financial support for 2 nd year	50% of Action Plan	200,000
Follow-up and monitoring (including Participatory Endline Survey)		2,950
Total (Rs/group)		690,900

Source: SRC-CAP

Table 6: Minimum package of the CAP Approach

Four Steps	Activities	Cost (Rs/group)
Year 1: 1st Crop Season (all activities are conducted)		
1. Farmers understand the goal	- CAP Approach Workshop	6,000
2. Farmers' awareness is raised	- Market Survey by Farmers	20,850
3. Farmers make decision	- Action Plan Making (Crop Selection)	3,650
	- Action Plan Making (Calendar Making)	3,650
	- Action Plan Making (Resource Mobilization)	3,650
4. Farmers acquire skills	- On-site Coaching (Nursery Making and Transplanting)	9,500
	- On-site Coaching (Plant Protection)	9,500
	- On-site Coaching (Post-Harvest Handling and Marketing)	9,500
Year 1: 2nd Crop Season		
4. Farmers acquire skills	- On-site Coaching (Nursery Making and Transplanting)	9,500
	- On-site Coaching (Plant Protection)	9,500
Follow-up and monitoring (including Participatory Endline Survey)		2,950
Financial support for 1 st year	50% of Action Plan	200,000
Year 2: 3rd Crop Season		
3. Farmers make decision	- Action Plan Making (Crop Selection)	3,650

	- Action Plan Making (Calendar Making)	3,650
	- Action Plan Making (Resource Mobilisation)	3,650
4. Farmers acquire skills	- On-site Coaching (Plant Protection)	9,500
Year2: 4th Crop Season		
4. Farmers acquire skills	- On-site Coaching (Plant Protection)	9,500
Follow-up and monitoring		2,950
Total		321,150

Source: SRC-CAP

Box 1: Melung CAP: Downsized CAP Approach

The Local Government of Melung, Dolakha District, has been implementing its own agriculture development project by applying the CAP Approach. The project is called Melung CAP.

Melung CAP has adapted the CAP Approach packages in accordance with the availability of their human and financial resources. The following methods were taken by Melung CAP, among others, to downsize the CAP Approach.

- ◆ Baseline and Endline surveys as well as Study tours have not been implemented.
- ◆ The importance of record keeping was explained only once. It was explained in the orientation of the CAP Approach, with the distribution of the Farm Management Notebooks of SRC-CAP. As a result, a half of the beneficiary FG members has kept recording with the notebooks.
- ◆ Matching Forum has not been implemented, while farmers have been given enough time to interact with traders in the practice of market survey.
- ◆ In the second year of the CAP Approach application, only technical support to the target farmer groups has been provided. Financial support was given only in the first year.

- (2) To endorse the CAP Approach as one of the Approaches of the Local Government to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP activities into plans and the annual budget.

Based on the results of the examinations and analyses mentioned in section (1) above, whether the CAP Approach will be applied or not is decided by each of the Local Governments. The decision should be made by its political leaders at the Assembly or Committee meetings to endorse the incorporation of the CAP Approach and its activities into the Local Government's policy, strategy, plans and budget.

The sample costs of each of the activities of the CAP Approach is illustrated in the Handbook for Extension Staff, however, there are some activities whose preparation may require additional costs, such as the practice of market surveys, the study tours and the Farmer- Supplier Interaction Workshops, etc. In addition, due to the nature of agriculture, a certain amount should be reserved for improvisation.

- (3) To make an inventory of accessible markets for farmers of the jurisdiction as base for the CAP Approach.

The inventory of markets, buyers and suppliers accessible for farmers of the jurisdiction will be made and continue being updated as database for Local Government.

The purpose of making the inventory is for the Local Government to strategically define the commodities to be addressed with the CAP Approach (vegetable, cereals, fruits, spices, etc.), and to disseminate the information on markets, buyers and suppliers with the beneficiary farmers, so that farmers can select the target for their market surveys. In addition, the collected information may be useful for Local Governments to fulfil one of their given functions of local markets management.

The necessary information of each market, buyer and supplier can be collected by Extension Staff in collaboration with the Ward Committees and the Economic Development Committees of the Local Government. From each market, at least, the information on the types of commodities by season, the volume dealt of each commodity, the number of shops or stalls, the contact address of representatives, the physical address of market will be collected.

This inventory does not have to be completed at once, rather, it can go being made gradually, for instance, ward by ward. More importantly, it requires to be updated, when necessary.

(4) To select the beneficiary farmer groups by setting criteria in accordance with the actual circumstances and conditions surrounding farmers (in a transparent manner).

The criteria for the selection of target farmer groups should be determined by the concerned Local Government, taking into account the demand and willingness of farmers, the given circumstances of farmers (climatic, geographical and natural resource conditions), the state of basic infrastructure for marketing (especially access roads network), the availability of irrigation water for farmers, etc.

Based on the 5-year experience of SRC-CAP, the followings are identified as a set of criteria for the selection of those farmer groups that would most likely bring about successful results with the CAP Approach.

Box 2: a set of proposed criteria for the group selection

- (1) The Group has access to markets round the year with 3 to 4 hours of road transportation and vehicles can visit the group both in the rainy and dry seasons,
- (2) The Group members have irrigation facilities even for their uplands throughout the year.
- (3) The Group has regular monthly meetings and very good group unity.
- (4) The Group Leader has experience in agriculture and is willing to serve to the group management by addressing any issues and challenges in a transparent manner.
- (5) The major occupation of the Group Members is agriculture, and they do not have other more viable income sources (therefore, they are interested in increasing their income through vegetable farming and marketing).
- (6) If possible, the group members have both lowlands & uplands to diversify crops or to have different timings of harvest.

- (5) To provide an enabling environment to the Extension Staff to apply the CAP Approach with the selected FGs.

It is important for the Extension Staff to have a good understanding by the leaders of Local Government of the CAP Approach, so that the Extension Staff can be allowed to spend necessary time and budget to apply it with the limited number of farmer groups.

As the CAP Approach requires a hands-on support to the selected FGs, especially for the first year, an Extension Staff may not be able to be responsible for more than 5 FGs at once. The Extension Staff need to visit the same FGs frequently. However, sometimes it cannot be planned in advance, as their visits can be determined by growth of the target crops, so that the FG members can give necessary handling and treatment to the crops at an opportune timing. To this end, frequent communication between the Extension Staff and representatives from the FGs is indispensable, and the access to mobile phone and SNS of the Extension Staff should be secured.

For some activities, the preparation may take time and costs. For the exercise of market survey, the study tours and the Farmer-Supplier Interaction Workshop, and so on, the Extension Staff may need to visit the venue several times and coordinate with the participants prior to the actual day of the event.

Box 3: Field Facilitators

SRC-CAP employed a Field Facilitator (FF) for each of the target FG with the following functions. FFs were paid monthly for their support to the Project, the Extension Staff and the concerned FG, in addition to the communication and transportation allowances. FFs were also invited to all the training opportunities together with the Extension Staff, and they also became knowledgeable and skillful in the market-oriented vegetable farming and marketing. While the Extension Workers were able to visit FGs only when any activity was organized, FFs were positioned to give hands-on support to the FG members on a daily basis. Thus, the contribution of FFs for the implementation of the Project was significant.

It is recommendable for a Local Government to explore the possibility to hire field facilitators from the target FG members, as assistants to the Extension Staff, for the smooth application of the CAP Approach. However, when a Local Government cannot afford to hire FFs, the Local Government may select those FGs whose leaders or other members could play the roles of FF at the selection of beneficiary FGs. Alternatively, the Local Government, through Extension Staff, may discuss with the beneficiary FGs to have one of the FG members play the roles of FF, after the selection of beneficiary FGs.

The following is the roles played by FFs in SRC-CAP.

Operation:

- ◆ To support the preparation and implementation of the project activities:
- ◆ To assist the SMS/JT/JTA in charge of the FG in the preparation and implementation of the CAP activities with the FG members by attending all such activities.

- ♦ To support FG in the farming and marketing:
- ♦ To facilitate the establishment of a Training Farm within the community where the majority of FG members live.
- ♦ To attend the training and learning opportunities and to disseminate the knowledge and skills obtained through such opportunities to the FG members.
- ♦ To assist the FG members in record keeping of farming and marketing activities and information as well as in filling any questionnaires and forms
- ♦ To contribute to awareness-raising among the FG members on commercial agriculture with the perspectives of gender equality and social inclusion.
- ♦ To support FG in communication and coordination with other stakeholders:
- ♦ To convey relevant information and feedback of the FG to the Ward Committee, the Local Government Office, the SMS/JT/JTA in charge of the FG, and vice-versa.
- ♦ To submit a report relevant to the FG:
- ♦ To conduct/ facilitate the data collection from the FG members, accessible markets and suppliers, etc.
- ♦ To prepare and submit monthly technical/administrative reports to the Ward Committee as well as the Local Government Office through the SMS/JT/JTA in charge.
- ♦ To post relevant reports with pictures on the Facebook page of CAP, if any.

Administration:

- ♦ To support FG in the purchase of necessary inputs for the Training Farm and other CAP activities with the budget provided by the Local Government Office
- ♦ To facilitate FG to obtain quotations and bills for necessary inputs for the Training Farm and other CAP activities, including financial support from the same project.

Others:

To provide any other services for the CAP activities, upon requests made by the FG, the SMS/JT/JTA in charge of the FG, and the Local Government Office.

For the smooth implementation of the CAP Approach, SRC-CAP also provided financial support amounting to NRS 200,000 to each of the beneficiary FGs every year, in order that FGs could prepare the base for market-oriented agriculture with vegetables by purchasing those essential inputs and equipment.

At the Action Plan making, the beneficiary FG members were facilitated by Extension Staff to identify necessary inputs and equipment to carry out their own annual Action Plan. After the identification of necessary inputs and equipment, Extension Staff facilitated the FG members to mobilize resources to obtain the identified necessary inputs and equipment. At this timing, as one of the possible external sources, the financial support from SRC-CAP was presented.

The financial support was provided on a request basis to FGs. Up to 50% of the total costs of inputs or equipment required to implement their own Action Plan was paid by SRC-CAP, while the remaining 50% was paid by the FG in cash or in kinds, including the provision of labor. All the beneficiary FGs

made a request to SRC-CAP for financial support observing the 50%-50% rules. Detailed procedure for the provision of the financial support from SRC-CAP is illustrated in Annex 2.

The Local Governments may also consider a financial support to those beneficiary FGs that are in need for support to prepare the base for market-oriented agriculture. However, when it is the case, the Local Governments are suggested put clear conditions and rules for financial support, as SRC-CAP did. For instance, the provision on a request basis, based on the applicant FG's own action plan, and only when the cost-sharing rules are observed could form part of such conditions.

Based on the experience of SRC-CAP, possible inputs and equipment that FGs could obtain with a 50%-50% cost sharing support can be summarized as follows.

Table 7: Possible Inputs and equipment to be obtained by FGs with 50%-50% cost sharing

Average No. of farmer group members: 25

Base rate: Fy 2019/2020

Ceiling of external financial support (50% of the total cost)	Possible Options of Support		
	In case of cash contribution by farmer group to meet the 50-50 cost sharing rule	In case of In-kind contribution by farmer group to meet the 50-50 cost sharing rule	
NPR 25,000	1	Seeds	1 Small scale pipe irrigation (up to 300m length with 20 and 25 mm dia 10 kg/cm ² HDPE pipe or 32 mm dia 6 kg/cm ² HDPE pipe)
		Insecticides and Pesticides	
		Micronutrients	
	2	Cell tray	
		Coco pit	
		Poly bag	
		Nursery plastic bag	
	3	Yellow sticky trap not lesser than 100 pcs.	
		Pheromone trap set	
	4	Plastic crate	
Watering can of 5-10 ltr. capacity			
5	Pruning/ Weeding/ Digging Tools		
NPR 50,000	1	Sprayer 16 ltr. capacity (Manual)	1 Small scale pipe irrigation (up to 600m length with 20 and 25 mm dia 10 kg/cm ² HDPE pipe or 32 mm dia 6 kg/cm ² HDPE pipe)
		Garden/Nursery Pipe with sprinkler irrigation set	
	2	Drip irrigation set	
	3	Spring Balance	
		Digital weighing machine among 4-5 members	
4	Mulching plastic of 400 m roll	2	

	5	Organic Fertilizer		Small scale pipe irrigation (350-400 m length with 40 mm or 50 mm dia 6 kg/cm ² HDPE pipe)
		Chemical Fertilizer (DAP, UREA & Potash)		
	6	Water lifting pump of 1-2 HP capacity among 3-4 members.		
NPR 100,000	1	Electric sprayer 16 ltr. capacity	1	Sipaulin Plastic of 5m x 12 m, 70 GSM for tunnel
	2	2-3 no. of mini tiller of minimum 7.5 HP capacity	2	Sipaulin Plastic of 4m x 5m, 200 GSM for plastic pond with 3m length overflow pipe
	3	Power Tiller of 18 HP capacity	3	Small lift irrigation or pipe irrigation (250-300 m length with 63 mm or 75 mm dia 6 kg/cm ² HDPE pipe)
NPR 150,000	1	Water storage tank of 500 ltr. capacity with fitted tap and garden/nursery pipe	1	Sipaulin plastic of 6m x 12 m, 90 GSM for tunnel
	2	Green net/Insect net/ UV plastic for tunnel	2	Sipaulin plastic of 6m x 10 m, 200 GSM for plastic pond with 3 m length overflow pipe
	3	Water lifting pump of 7.5 HP capacity 90 mm diameter outlet.	3	Small scale pipe irrigation (275-300m length with 90 mm dia 6 kg/cm ² HDPE pipe)
NPR 200,000	1	Construction of Permanent structure for tunnel (Combination of 1.5 inches and 2 inches diameter circular pipe)	1	Small Collection center/ sales output
			2	Small scale pipe irrigation (250-275 m length with 110 mm dia 6 kg/cm ² HDPE pipe)

Source: SRC-CAP

(6) To establish and strengthen the mechanism of technical backstopping to Extension Staff in collaboration with provincial government and any other relevant organizations.

Especially in case that the Extension Staff do not have any experience of applying and managing the CAP Approach, it would be better to have external technical backstopping to the Extension Staff and farmer groups, at least until when the Extension Staff become confident in management of the Approach, in terms of the concept and procedure of the Approach and farming and marketing techniques.

In addition, even when the Extension Staff can manage the application of the Approach by themselves, it would be important for them to have specialist advisors in farming and marketing to keep acquiring updated knowledge and skills as well as to address emergency issues.



- (7) To give monitoring to the project sites of the CAP Approach within the Municipality/ Rural Municipality, and give feedback to its assembly, the extension staff, farmer groups and other governments or organizations in collaboration.



This is important for the Local Government to see if the expected results have been produced for the investment made in the form of human and financial resources and if there is anything to modify to make sure positive results for the beneficiary farmers.

Indicators to be applied in the monitoring activities could be proposed by Extension Staff in the annual action plan, and agreed by the assembly of the Local Government. How many farmers out of all the beneficiary farmers are expected to increase their income from vegetable sales, how many farmers out of all the beneficiary farmers are expected to conduct market surveys regularly by themselves, how many farmers out of all the beneficiary farmers are expected to apply the farming skills transferred by Extension Staff, and so forth, could be considered, when indicators are set.

The monitoring should be implemented regularly, ideally every six months and at least once a year, by assembly members, including Mayor, Vice-Mayor, Chairperson, Vice-Chairperson, Ward Chairperson, President of the Agriculture Development Committee. It can be also done by officers and peer Extension Staff of the Local Government, or members of any other organizations hired by the Local Government to this end. The monitoring activities need to be also incorporated into plans and the annual budget of the Local Government.

The results of monitoring should be shared within the Local Government and the target farmer groups to improve the Approach based on the findings. If there are any government or private organizations that are in collaboration with the Local Government in the implementation of the CAP Approach, the results will be also shared with them.

PART 6. ROLES TO BE PLAYED BY PROVINCIAL GOVERNMENTS

6.1 Overview of the roles

The MOLMAC and the Agriculture Development Directorate of Provincial Government is expected to play the following seven roles. The major roles of MOLMAC and the Directorate is to make enabling environment to its Agriculture Knowledge Centres and other farms, centres and laboratories of MOLMAC to effectively provide technical support to the Extension Staff and the beneficiary farmer groups at the local level in the application of the CAP Approach.

- (1) To understand the CAP Approach and to analyse pros and cons of the application.

- (2) To endorse the CAP Approach as one of the Approaches of MOLMAC to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP activities into plans and the annual budget.
- (3) To disseminate the CAP Approach to the Local Governments of the same province.
- (4) To provide training to officers of Local Governments on the CAP Approach, upon request.
- (5) To support AKCs and relevant farms, centres and laboratories to establish and strengthen the mechanism of technical backstopping to Extension Staff in collaboration with DOA, Local Governments, and any other relevant organizations.
- (6) To give monitoring to the project sites of the CAP Approach within the province, and to give its feedbacks to its assembly, relevant Local Governments and any other organizations in collaboration.

6.2 Details of the roles

- (1) To understand the CAP Approach and to analyse pros and cons of the application.

MOLMAC and its Directorate of Agriculture Development, and its farms, centres and laboratories may understand the CAP Approach by reading the set of the Operational Guidelines of the same Approach, by collect necessary information through the related seminars or trainings provided by the Federal Government or through some interviews with former beneficiary Local Governments and farmer groups. Based on the sound understanding of the Approach, MOLMAC and the Directorate of Agriculture Development will analyze pros and cons to promote the application of the CAP Approach to the Local Governments under the same province. In addition, MOLMAC and the Directorate will conduct a simple survey to understand if there are any Local Government within the same province that is interested in the CAP Approach to promote market-oriented vegetable farming in their Municipality or Rural Municipality. MOLMAC and the Directorate of Agriculture Development may recommend the Local Governments apply the CAP Approach, but the autonomy of Local Government should be always respected.

To promote the Approach, it would be important for MOLMAC and the Directorate to create an enabling environment to their farms, centres and laboratories, including the Agriculture Knowledge Centres (AKCs), to provide necessary technical and financial support to the Extension Staff of the Local Government, upon request. Especially for those Local Governments that have not had any experience with the CAP Approach, an intensive technical and financial support to their Extension Staff may be required, until the Extension Staff understand how to manage the Approach with their farmer groups. According to the



Experience of SRC-CAP, the ideal duration for such an intensive support from the farms, centres and laboratories of MOLMCA would be, at least, for 2 years.

- (2) To endorse the CAP Approach as one of the Approaches of MOLMAC to promote market-oriented vegetable farming to smallholder farmers by incorporating into the CAP activities into plans and the annual budget.



Based on the results of comparison analysis of pros and cons as well as of comparison analysis of opportunity costs of different possible approaches, MOLMAC will provide technical and financial backstopping in the application of the CAP Approach in the same province. The decision should be made by its political leaders at the Assembly or Committee meetings to endorse the incorporation of the CAP Approach and its activities into the Provincial Government's policy, strategy, plans and budget.

To this end, MOLMAC and the Directorate of Agriculture Development decide which institutions of their farms, centres and laboratories will provide necessary technical and financial support to the Extension Staff and assign them to do so officially. It can be considered to distribute the technical backstopping role among different farms, centres and laboratories under MOLMAC, since there may not be one institution that can offer all required knowledge and skills alone. The lecturers and instructors in the training and on-site coaching of the CAP Approach can be assigned from different institutions with the coordination by the Directorate of Agriculture Development.

Once MOLMAC decides to support the application of the CAP Approach in the province, such a decision should be reflected in the annual action plan and budget making. The annual action plan and budget for the CAP Approach activities should be prepared based on the demand from the Local Governments for technical and financial backstopping from MOLMAC in the application of the same Approach.

- (3) To disseminate the CAP Approach to the Local Governments of the same province.

In line with the annual action plan, MOLMAC and the Directorate of Agriculture Development disseminate the CAP Approach to the Local Governments of the same province by distributing the set of Operational Guidelines, organizing seminars, workshops and study tours to the project sites of SRC-CAP, etc.

- (4) To provide training to officers of Local Governments on the CAP Approach, upon request.

Upon request from Local Governments, the training to their Extension Staff on the CAP Approach (its concept, procedure, farming and marketing techniques required) will be provided by officers from MOLMAC, the Directorate of Agriculture Development and its subordinate farms, centres and laboratories in a coordinated manner. The coordination of officers from different institutions under MOLMAC to provide training is very important to make sure that the quality and quantity of the contents

meet the demand from the concerned Local Governments avoiding unnecessary overlaps. It would be effective for MOLMAC or the Directorate to appoint a coordinator to this end.

The training needs to be composed of two parts: theory and practice. For the theory, the training will be given in a facility with the help of audio-visual materials. For the practice, the training will be imparted on a field with actual practice by the participant Extension Officers. The field can be selected from the farms or centres belonging to MOLMAC depending on the purpose of the training each time.

- (5) To support AKCs and relevant farms, centres and laboratories to establish and strengthen the mechanism for technical backstopping to Extension Staff in collaboration with DOA, Local Governments, and any other relevant organizations.

To provide training to the Extension Staff of Local Government, officers of farms, centres and laboratories of MOLMAC also need to continue being updated with new techniques and theories. The DOA and institution under it may share their findings and information from other sources, and this will help the officers to catch up with the new techniques and theories relevant to the CAP Approach. In turn, MOLMAC and the Directorate may convey the needs and challenges on the ground, so that the National Centre can do research to address them.

In addition, if there are any donors, NGOs, private sector organizations, the association of farmer groups, etc., that collaborate with MOLMAC, MOLMAC may share with them progress in the application of the CAP Approach to obtain their participation in the dissemination and application of the same approach.

- (6) To give monitoring to the project sites of the CAP Approach within and out of the province, and to give its feedbacks to its assembly and the concerned Local Governments.

Representative officers from MOLMAC, the Directorate of Agriculture Development and its farms, centres and laboratories may give periodical monitoring in collaboration with the concerned Local Government, to confirm with the beneficiary farmer groups and the Extension Officers in charge progress and challenges in the application of the CAP Approach. The results should be shared among the Local and Provincial Governments to address challenges identified to improve the Approach.

For the learning purpose, the monitoring of the beneficiary farmer groups of the CAP Approach in other provinces can be also done (as study tour).

PART 7. ROLES TO BE PLAYED BY THE FEDERAL GOVERNMENT

7.1 Overview of the roles

MOALD and the Department of Agriculture (DOA) is expected to play the following seven (7) roles in the application of the CAP Approach. The major role of the Federal Government is to disseminate the Approach to all the seven (7) provinces in the country and to provide technical backstopping to their MOLMAC, upon request.

- (1) To understand the CAP Approach and to analyse pros and cons of the application.

- (2) To endorse the CAP Approach as one of the Approaches of MOALD / DOA to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP approach into its domain (including planning and the budgeting).
- (3) To disseminate the CAP Approach to all the seven (7) provinces of the country.
- (4) To give monitoring to the project sites of the CAP Approach and give feedbacks to MOLMAC and Local Governments, and any other relevant organizations in collaboration.

7.2 Details of the roles

- (1) To understand the CAP Approach and to analyse pros and cons of the application.

MOALD and DOA need to understand the CAP Approach through the set of Operational Guidelines of the CAP Approach or interviews with the officers who were implementing SRC-CAP. Study tours to the beneficiary farmer groups of SRC-CAP may be also organized to observe results of the project.

- (2) To endorse the CAP Approach as one of the Approaches of MOALD / DOA to promote market-oriented vegetable farming to smallholder farmers by incorporating the CAP approach into its domain (including planning and the budgeting).

MOALD and DOA may endorse the CAP Approach as one of the Approaches to promote market-oriented vegetable farming to smallholder farmers and incorporate it into its domain to disseminate the Approach over the country (including planning the budgeting).

DOA along with institutions under it may support MOLMACs and Local Governments of the seven provinces by providing relevant techniques to the CAP Approach, and therefore, technical backstopping from these centre to MOLMACs and Local Governments may be also incorporated into the strategic plan as well as annual action plan and budget.

- (3) To disseminate the CAP Approach to all the seven (7) provinces of the country.

MOALD and DOA can disseminate the CAP Approach to MOLMACs and Local Governments over the country by distributing the set of Operational Guidelines of the CAP Approach, by organizing seminars or workshops, study tours to the project sites of SRC-CAP.

- (4) To give monitoring to the project sites of the CAP Approach and give feedbacks to MOLMAC and Local Governments, and any other relevant organizations in collaboration.

MOALD and DOA may organize monitoring visits to the project sites with the concerned MOLMACs and Local Governments. The purpose of the monitoring is not only to confirm progress but also to identify challenges faced by the beneficiary farmer groups and the Extension Staff in charge. The results will be shared among the concerned institutions and organizations to improve the CAP Approach by addressing the challenges identified through the monitoring visits.

PART 8. OTHER CRITICAL SUPPORT FROM THE GOVERNMENTS

According to the distribution of functions among the three tiers of governments stipulated by the 2015 Constitution, the Local, Provincial and Federal Governments may also provide other supports which may create synergetic effect with the CAP Approach. Those supports are listed up in Table below.

If the Local, Provincial and Federal Governments strategically provide such supports taking into account of the target markets of the target FGs of the CAP Approach, more FG members may produce positive and sustainable results.

Table 8: Other supports governments can provide to prepare an enabling environment

Local Government	Provincial Government	Federal Government
<ul style="list-style-type: none"> • To carry out construction/ rehabilitation and management of local markets • To implement agriculture roads projects • To implement irrigation projects • To issue and distribute the land ownership certificates 	<ul style="list-style-type: none"> • To prepare a land policy favourable for smallholder farmers • To implement irrigation projects 	<ul style="list-style-type: none"> • To prepare a land policy favourable for smallholder farmers • To implement irrigation projects

Source: 2015 Constitution

PART 9. CONCLUSION

The CAP Approach can produce positive results for both farmers and governments, if it is applied appropriately with the allocation of necessary human and financial resources. The effectiveness of the approach was proved through the implementation of SRC-CAP, and the efficiency or cost-effectiveness is also promising in a long run, as it makes farmers confident and self-reliant (empowered). The allocation of necessary human and financial resources to ensure the quality and quantity of extension services required by the Approach, at least for the consecutive two years with the same beneficiary farmer groups, will be worthy for the Local Governments.

Extension Staff of Local Government can manage the application of CAP Approach alone, once they have mastered the concept and process of the CAP Approach in a learning by doing manner. However, until they become confident in themselves in the management of concept and process, Local Governments are responsible for the provision of opportunities for its Extension Staff to have appropriate external technical backstopping in the management of concept and process of the CAP Approach. In addition, it is also important to keep them updated with new techniques, inputs and theories in farming and marketing so that they can remain competent.

Such external technical backstopping can be sought in provincial and federal government institutions or in relevant private sector organizations. The success in the application of the Approach will depend on whether a mechanism of technical backstopping to Extension Staff can be put into place. This cannot be done by a Local Government alone, and therefore, the collaboration with other public institutions and private sector organizations is indispensable.



Annex 1: Distribution of functions among Local, Provincial and Federal Governments in the agriculture sector

2015 CONSTITUTION	Local Government	Provincial Government	Federal Government
SCHEDULE 5	N/A	N/A	<ul style="list-style-type: none"> ♦ Central level mega irrigation project ♦ Land use policy
SCHEDULE 6	N/A	<ul style="list-style-type: none"> ♦ Land management and record-keeping of land ♦ Provincial level irrigation projects ♦ Agriculture and livestock development 	N/A
SCHEDULE 7	N/A	<ul style="list-style-type: none"> ♦ Matters related to cooperatives ♦ Land policy and related legal provisions 	<ul style="list-style-type: none"> ♦ Matters related to cooperatives ♦ Land policy and related legal provisions
SCHEDULE 8	<ul style="list-style-type: none"> ♦ Management of local markets ♦ Agriculture roads, irrigation ♦ Distribution of land ownership certificates ♦ Farming and livestock, agriculture production management, livestock health, cooperatives <p>Management, operation and control of agriculture extension</p>	N/A	N/A
SCHEDULE 9	<ul style="list-style-type: none"> ♦ Cooperatives ♦ Agriculture ♦ Management of landless 	<ul style="list-style-type: none"> ♦ Cooperatives ♦ Agriculture ♦ Management of landless 	<ul style="list-style-type: none"> ♦ Cooperatives ♦ Agriculture ♦ Management of landless

Source: 2015 Constitution

Annex 2 : Condition of Support and Procedures

1. Condition of support:

Terms and conditions for the items are given below:

- ✓ Maximum of NRs. 200,000 per Farmer Group per year will be supported for agricultural inputs/equipments and infrastructure facilities from the project in 50% cost sharing in kind or cash of the farmer group in accordance with their Action Plan. The duration of the support year will be two years.

2. Procedure for agri-input category

2.1 Agri-Inputs

Cost of the plastic sheet for the plastic house construction will cover by Project but other construction expenses like purchasing of binding wire, nails, enamel, string, bamboo and cost of unskilled labor should bear by the farmer group.

Farmer group should bear fifty percent of total cost for other agri-inputs like seed, pesticides, micronutrient, chemical fertilizer, sprayer, watering can, crate, weighing machine, drip and sprinkler irrigation set etc.

2.1.1 Finalization of material quantity:

Farmer group should first decide the quantity collectively and deadline of procurement based on group action plan prepared.

2.1.2 Selection of horticulture related traders (buyers and agricultural input suppliers):

- ✓ Nominated (two members: one male one female) members from each farmer group will visit market and fill the quotation form (annex-1) from at least three available horticulture related traders within or outside the district and whichever they found the lowest in price that will be a candidate supplier.

Note:

1. If two or three groups from a Municipality/Rural Municipality are demanding agri-inputs, they will collect quotation jointly and will choose only one agri-Input supplier whenever possible depending on accessibility and location of farmer groups.

2. Project will provide travel and one day daily allowances (without accommodation) for the quotation collection.

- ✓ Farmer group will discuss on the collected quotation organizing group meeting after returning back from market and select only one agri-input supplier. The evaluation basis for the supplier selection is the lowest total cost of the total item filled in the quotation form.
- ✓ Farmer group should make a decision minute and submit the photocopy to the project office together with collected quotations.

2.1.3 Contract with agri-input supplier:

Once photocopy of decision minute and collected quotation is received, a contract (annex-2) among project, farmer group and agriculture section of municipality/rural municipality will be made with selected agri-input supplier as soon as possible.

2.1.4 Payment process:

After the contract signed, first installment payment, 70% of the total cost will be handed to the agri-input supplier. Farmer group should pay their sharing amount at the time of agri-inputs received. Remaining 30 % amount will be provided as a final installment payment to the agri-Input supplier after the delivery of agri-inputs to the farmer group's place, receiving signed recipients from farmer group, bill and payment request letter from the agri-input supplier.

2.1.5 Transportation:

- ✓ Agri-Input supplier should responsible to deliver agri-inputs to the farmer group's place and should quote one time delivery cost and means of transportation in the quotation form.
- ✓ Agri-Input supplier should be able to deliver all the agri-inputs in a given deadline.
- ✓ The transportation cost can be paid full by project (if it is less than or 5% of total cost) or cost shared with the farmer group member (if it is more than 5%).

2.2 Equipments (Mini Tiller)

Farmer group should bear fifty percent of total cost for the Mini Tiller.

2.2.1 Finalization of Mini Tiller

- ✓ Farmer group should first decide the capacity of the Mini Tiller and deadline of procurement based on action plan among the group. Mini Tiller should be gender friendly.

2.2.2 Selection of Machinery shop

- ✓ Nominated (two members: one male one female) members from each farmer group will visit market and fill the quotation form (annex-1) from at least three available machinery shops within or outside the district and whichever they found the lowest in price that will be a candidate supplier.

Note:

1. If two or three groups from a Municipality/Rural Municipality are demanding Mini Tiller, they will collect quotation jointly and will choose only one shop whenever possible depending on accessibility and location of farmer groups.

2. Where the machinery shops are not available within the district, Project will provide travel and daily allowance of one and one fourth day (with accommodation) for the market survey. If the shops are available within the district then travel and one day daily allowances (without accommodation) will be provided.

- ✓ Farmer group will discuss on the collected quotation organizing group meeting after returning back from market and select only one machinery shop. The evaluation basis for the supplier selection is the lowest total cost of the total item filled in the quotation form.

2.2.3 Contract with Farmer group

- ✓ Farmer group should make a decision minute and submit the photocopy to the project office together with collected quotations.
- ✓ Once photocopy of decision minute and collected quotation is received, a contract (annex-2) among project, farmer group, machinery shop and agriculture section of municipality/ rural municipality will be made.

2.2.4 Payment Process

- ✓ Farmer group should collect and pay their shared fifty percent amount of the total cost. Project will provide fifty percent amount to the farmer group at the time of mini tiller purchased and copy of bill of the mini tiller will be received.

2.2.5 Transportation

- ✓ Machinery shop should responsible to make available the quoted Mini Tiller in a given deadline.
- ✓ Farmer group should responsible for the transportation. The transportation cost can be paid full by project (if it is less than or 5% of total cost) or cost shared with the farmer group member (if it is more than 5%).

3. Procedure for Infrastructure category (Irrigation):

Farmer group should implement their prioritized infrastructure work based on action plan preparation.

3.1 Survey and Cost Estimation

- ✓ SRC-CAP engineer will provide the detail cost estimate after detail survey and it will be approved by agriculture section of municipality/rural municipality.

3.1.1 Contract with Farmer group

- ✓ Based on the estimate, contract (annex-3) will be prepared and signed among the Project, agriculture section of municipality/rural municipality and farmer group and farmer group should bear at least 50% of the total cost in cash or kind.

3.1.2 Payment and materials procurement process

- ✓ After the contract sign, Farmer group will collect local materials like sand, stone, aggregate, wood etc. Once the local materials collected, farmer group will submit the request letter for the first installment payment to the Project. Project will handed first installment payment of seventy percent (70 %) to the farmer group of the project support amount.
- ✓ Farmer groups should purchase materials based on the estimation which are not locally available from any hardware shop without quotation as per The Public Procurement Rules 2064, section 97.
- ✓ After the completion of work, Farmer group should inform to the agriculture section of municipality/rural municipality/Project office. Municipality/rural municipality/Project will measure the work done and prepare the completion report.
- ✓ After the approval of completion report from agriculture section of municipality/rural municipality, farmer group should submit all the bills/receipts, copy of minutes and request letter for the final installment payment to the project. Project will handed reaming final installment payment of thirty percent (30%) to the Farmer group.

Note: Transportation cost of market materials will be added in cost estimation as per approved district rate and farmer group should responsible for all the action during transportation.

Annex 3: Sample for quotation form for Agri-Input Suppliers and Machinery Shops

Quotation Form

Name of Agri-Input Supplier/ Machinery Shop:.....

Name of contact person:.....

Contact phone number:.....

Address:.....

A. Details of agri-inputs/ equipment

S.N.	Item	Specification	Unit	Quantity	Unit price	Total cost
Grand Total						

B. Transportation

Means of transportation:

Transportation: From.....to.....

One time delivery cost: Nrs.....

.....
Signature :

Name of the Agri-Input Supplier/ Machinery Shop owner:

Date of quotation submission:

Stamp:

Note:

- An Agri-Input Supplier/ Machinery Shop must be able to send their quote price and items mentioned. Inability of doing so will not be considered for further process.
- An Agri-Input Supplier/ Machinery Shop will have to provide PAN bill once selected and contracted by project with the receipt

Annex 4: Contract for Action Plan Implementation: Agri-Input

**GoN/JICA
Sindhuli Road Corridor Commercial Agriculture Promotion Project (SRC-CAP)**

Contract for Action Plan Implementation: Agri Input

FY:

Name of Farmer group:

District:

Municipality/Rural Municipality :

Total number of producer member:

1. Name of item, cost, delivery date:

Start date:.....

End date:.....

Name of item	Quantity	Total (NRs.)	Farmer group (Nrs)	Project (Nrs.)	Delivery Date
Grand Total (NRs.)					

(Note: 50 % contribution of farmer group is included in total cost of agri-inputs but in the case of plastic tunnel farmer group should bear all the other expenses except than Plastic Sheet. Breakdown of estimated budget for plastic tunnel is attached herewith)

2. Payment method:

Installment	Amount (NRs.)	Percentage	Date
First			After Agreement sign
Second (except plastic sheet)			After distribution of items
Final			After completion of payment from Farmer group and delivery of plastic sheet
Total			

3. Transportation:

Transportation cost can be paid full by project (if it is less than or 5% of total cost) or cost shared with the farmer group member (if it is more than 5%).

4. Terms and conditions:

Agri-Input Supplier:

- Agreed item should not be different than the specification provided in the quotation and should not be damaged or broken
- The materials should be made available in the given time
- Once the materials are available in the given time, should communicate farmer group in advance
- Should provide receipt to the project and bill to the Farmer group
- Should be responsible until the materials are handed over to the farmer groups

Farmer group:

- Farmer group should get a bill when they receive agri-inputs from the agri input supplier.
- The supported item should be used properly
- Except the plastic sheet, farmer group should be responsible to pay the 50% of the total cost directly to the supplier in cash at the time of delivery. If one or two member could not pay their share, group should be responsible for it.

SRC-CAP:

- The project will bear no responsibility of risk and/or accident raised during the above mentioned activity.

We agree the terms and conditions mentioned above:

From SRC-CAP: Name: Position: Signature: Date:	From Agri-Input Supplier: Name: Signature: Date:
From Farmer group: Name: Address: Position: Signature: Date:	From Municipality/Rural Municipality Office (Agriculture Section Head) Name: Position: Signature: Date:

Annex 5: Contract for Action Plan Implementation: Infrastructure

**GoN/JICA
Sindhuli Road Corridor Commercial Agriculture Promotion Project (SRC-CAP)**

Contract for Action Plan Implementation: Infrastructure

FY:

Name of Farmer group:

District:

Municipality/Rural Municipality :

Total number of producer member:

1. Infrastructure:

Start date:.....

End date:.....

Types of Activity	Total (NRs.)	Producers (NRs.)	Project (NRs.)
Grand Total (Nrs.)			

Note: Breakdown of estimated budget approved by agricultural section of municipality/rural municipality is attached herewith.

Payment method:

Installment	Amount (NRs.)	Percentage	Date
First		70%	After collection of local materials
Final		30%	After approval of work completion report and other supporting documents.
Total			

4. Terms and conditions:

- Farmer groups will be responsible for repair and maintenance of the infrastructure.
- After the completion of the activity, financial clearance should be made from concerned agency.
- Farmer group will follow the rules and regulations as per the Nepal Government Law.
- Final installment will be paid after the approval of work completion report and other supporting documents.
- Farmer group should maintain the record of cash and kinds.
- Activity should be completed in a given time period.
- The project will bear no responsibility of risk and/or accident raised during the above mentioned activity.

We agree the terms and conditions mentioned above:

From SRC-CAP: Name: Position: Signature: Date:	From Farmer group: Name: Address Position: Signature: Date:	From Municipality/Rural Municipality Office (Agriculture Section Head) Name: Position: Signature: Date:
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Annex 6: Receipt of payment for Agri-Input Supplier/Machinery Shop

Receipt of First /Final Installment Payment by Agri-Input Supplier /Machinery Shop

Receipt of First Installment Payment by agri-input supplier /machinery shop

Date:

To: SRC-CAP/JICA

Hariharbhawan, Lalitpur

We received _____ NRs for first installment payment based on the contract made with
.....Farmer Group,.....Municipality/Rural municipality.....District.

.....

Mr./Ms.:

Agri-Input Supplier /Machinery Shop:

Stamp

Receipt of Final Installment Payment by agri-input supplier /machinery shop

Date:

To: SRC-CAP/JICA

Hariharbhawan, Lalitpur

We received _____ NRs for final installment payment based on the contract made with
.....Farmer group,.....Municipality/Rural municipality.....District

.....

Mr./Ms.:

Agri-Input Supplier /Machinery Shop:

Stamp

Annex 7: Payment request letter for Agri-Input Supplier /Machinery Shop

Payment request letter by Agri-Input Supplier /Machinery Shop

Date:

SRC-CAP/JICA
Hariharbhawan, Lalitpur

Subject: Request for First Installment payment

Dear madam/sir

As per contract made among in date.....I would like to request for the first installment payment of amount Nrs.....

Thank you

.....

Mr./Ms.:
Agri-Input Supplier /Machinery Shop:
Stamp

Payment request letter by Agri-Input Supplier /Machinery Shop

Date:

SRC-CAP/JICA
Hariharbhawan, Lalitpur

Subject: Request for Final Installment payment

Dear madam/sir

I received first installment on.....date. I have distributed all the items as agreed in the contract made on..... I would like to request for the final installment payment of amount Nrs.....

Thank you

.....

Mr./Ms.:
Agri-Input Supplier /Machinery Shop:
Stamp

Note:
With this request letter, please enclose the following documents as well:

- ✓ a receipt voucher of each producer group member,
- ✓ a meeting minute of the farmer group where groups mention receipt of all items and request for full payment to the argi- input supplier (name mentioned)
- ✓ Bill of the all items

Annex 8: Delivery notice made by Agri-input supplier/Machinery shop

Delivery notice made by Agri-Input Supplier /Machinery Shop

I have received the following items and quantity.

S.N.	Name of items	Quantity	Remarks

Receive by:

Name:

Position:

Address:

Date:

Distributed by:

Agri-Input Supplier /Machinery Shop:

Date:

Stamp:

Annex 9: Receipt of first/final payment by Farmer group

Receipt of First/Final Installment payment by Farmer group

Receipt of First Installment payment by Farmer group

Date:
To: SRC-CAP/JICA
Hariharbhawan, Lalitpur

We received _____ NRs for first installment payment based on the contract.

.....
Name:
Position:
Name of Farmer Group:
Address:

Receipt of Final Installment payment by Farmer group

Date:
To: SRC-CAP/JICA
Hariharbhawan, Lalitpur

We received _____ NRs for final installment payment based on the contract.

.....
Name:
Position:
Name of Farmer Group:
Address:

Annex 10: Payment request letter for Farmer Group

Payment request letter by farmer group

Date:

SRC-CAP/JICA
Hariharbhawan, Lalitpur

Subject: Request for First Installment payment

Dear madam/sir

As per contract made among in date.....We would like to request for the first installment payment of amount Nrs.....

Thank you

.....
Name:
Position:
Name of Farmer Group:
Address

Payment request letter by farmer group

Date:

SRC-CAP/JICA
Hariharbhawan, Lalitpur

Subject: Request for Final Installment payment

Dear madam/sir

We have completed the construction of.....We would like to request for the last installment payment. We have attached completion report along with other supporting documents here with.

Thank you

.....
Name:
Position:
Name of Farmer Group:
Address

Note:

With this request letter, please enclose the following documents as well:

- ✓ Completion report
- ✓ Bill of the all items purchased
- ✓ Meeting minute mentioning the completion of the activity and sharing of the agreed amount of cash and kind work in given time and mentioning payment of the final installment

