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UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO NEPAL

KATHMANDU, NEPAL

Jagadish Prasad Agrawal
Secretary General
Federation of Nepalese Chambers of
Commerce and Industry
P.O. Box No. 269
Tripureshwor
Kathmandu, Nepal

SEP 5 1991

Subject: Cooperative Agreement No. 367-0160-A-00-1295-00

Dear Mr. Agrawal:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "USAID/Nepal") hereby grants to the Federation of Nepalese Chambers of Commerce and Industry (hereinafter referred to as "FNCCI" or "Recipient") the sum of Seventeen Million, Two Hundred and Seventy-eight Thousand Nepalese Rupees (NRs 17,278,000) to provide support for the establishment of an Agroenterprise Center, as more fully described in the Schedule of this grant and the Attachment 2, entitled "Program Description".

This Cooperative Agreement is effective and commitment is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending the estimated completion date of August 11, 1996. Funds disbursed by A.I.D. but uncommitted by the Recipient at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is NRs 17,278,000. The sum of \$193,083.72 equivalent to NRs 8,225,366.00, is hereby committed. A.I.D. shall not be liable for reimbursing the Recipient for any costs in excess of either the committed amount or the total amount of the grant. Subject to the availability of funds, and program priorities at the time, A.I.D. may provide additional funds during the Agreement period up to a maximum of NRs 17,278,000. It is anticipated that the committed amount will be sufficient through December 31, 1993.

This Cooperative Agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled the Schedule, Attachment 2, entitled "Program Description," and Attachment 3, entitled "Standard Provisions," which have been agreed to by your organization.

Please acknowledge receipt and acceptance of this Cooperative Agreement by signing all copies of this Cover Letter, retain one set for your files, and return the remaining copies to this office, being sure to return all copies marked "Funds Available".

Sincerely yours,

Allen Eisenberg
Allen Eisenberg
Agreement Officer
USAID/Nepal

Attachments:

1. Schedule
2. Program Description
3. Work Plan for FY 01
4. Standard Provisions
5. OMB Circular A-122: Cost Principles

ACKNOWLEDGED:

FEDERATION OF NEPALESE CHAMBERS OF COMMERCE
AND INDUSTRY

BY: *Jagadish Prasad Agrawal*

TYPED NAME: Jagadish Prasad Agrawal

TITLE: Secretary General

FISCAL DATA

PIO/T No.: 367-0160-3-00116
 Appropriation No.: 72-1101021
 Budget Plan Code: QDNA-90-27367-KG13
 This Commitment : \$193,083.72
 Total Estimated Cost: NRs. 17,278,000
 Technical Office: ARD
 DUNS No.: 99-922-4546

Clearance: ARD: ADickie: *[Signature]*
 FM: HJamshed: *[Signature]*

ATTACHMENT 1

SCHEDULE

A. Purpose of Cooperative Agreement:

The purpose of this Cooperative Agreement is to provide support for the establishment of the Recipient's Agroenterprise Center, as more specifically described in Attachment 2 to this Cooperative Agreement entitled "Program Description."

B. Period of Cooperative Agreement:

1. The effective date of this Cooperative Agreement is the date of the Grant Officer's signature, and the estimated expiration date is August 11, 1996.

2. Funds committed hereunder are available for program expenditures for the estimated period ending December 31, 1993 as shown in the Financial Plan below.

C. Amount of Cooperative Agreement and Payment:

1. The total estimated amount of this grant for the period shown in B.1. above is NRS 17,278,000.

2. A.I.D. hereby commits the amount of \$ 193,083.72 equivalent to NRS. 8,225,336.00, for program expenditures during the period set forth in B.2. above and as shown in the Financial Plan below.

3. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3 - Optional Standard Provision No. 1 entitled "Payment - Periodic Advance."

4. Additional funds up to the total amount of the Cooperative Agreement shown in C.1. above may be committed by A.I.D. subject to the availability of funds, program priorities at the time, and requirements of the Standard Provisions of the Agreement, entitled "Revision of Grant Budget."

D. Financial Plan:

The following is the Financial Plan for this Cooperative Agreement. Revisions to this Plan shall be made in accordance with Standard Provision of this Cooperative Agreement, entitled "Revision of Grant Budget."

Grant Budget (In NRs 000)

<u>Item</u>	<u>Yr.1</u>	<u>Yr.2</u>	<u>Yr.3</u>	<u>Yr.4</u>	<u>Yr.5</u>	<u>Total</u>
Equipment	1,655					1,655
Furniture & Furnishings	256					256
Salaries & Benefits	472	626	720	827	952	3,597
Office Expenses	276	422	485	558	642	2,383
Data Bank	50	76	87	101	116	430
Price Information	45	70	80	92	106	393
Feasibility Studies	154	177	204	234	269	1,038
Consultants for In-House	40	80	88	90	0	298
Commodity Promotion Centers	168	386	444	0	0	998
In-Plant R&D	30	320	0	344	0	694
Policy Studies	540	621	714	0	0	1,875
Training	370	429	489	0	0	1,288
Publicity	306	562	494	415	246	2,023
Evaluation Studies	70	70	70	70	70	350
TOTAL	4,432	3,839	3,875	2,731	2,401	17,278

E. Substantial Involvement Understanding:

It is understood and agreed that A.I.D. will be involved in the following:

1. The A.I.D. Project Officer or his appointed representative and the agroenterprise specialist (see item 6. below) will serve on the Agroenterprise Sub-committee as voting members in reviewing activities.
2. FNCCI/AEC shall prepare and submit annual work plans for their program under the Cooperative Agreement.
3. FNCCI shall submit an Implementation Plan covering the period of the agreement by January 15, 1992, for A.I.D.'s approval.
4. FNCCI shall obtain the approval of the Project Officer prior to entering into any subcontract for services or studies by the AEC.
5. FNCCI shall obtain the approval of the Project Officer prior to recruiting personnel or selecting trainees.
6. USAID/Nepal shall provide the services of an agroenterprise specialist under its technical services contract.

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F. Reporting:

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision of this Agreement entitled "Payment - Periodic Advance".

b. The original and two copies of all financial reports shall be submitted to A.I.D., Office of Financial Management, USAID/Nepal. In addition, a copy of all financial reports shall be submitted to the Office of Agriculture and Rural Development.

2. Program Performance Reporting

a. The Recipient shall submit quarterly program performance reports, and a final report. Unless otherwise agreed in writing by the Grant Officer, the recipient shall follow the format in Attachment B to Attachment 3 for all quarterly program performance reports. All reports shall focus on presenting the following information:

(1) A comparison of actual accomplishments with the goals established for the period. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs,

(2) Reasons why established goals were not met, and

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform A.I.D. as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives or prevent the meeting of time schedules and goals. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any A.I.D. assistance needed to resolve the situation.

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated.

c. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Cooperative Agreement entitled "Revision of Grant Budget", the Recipient shall submit a request for budget revision.

d. Five copies of each program performance report shall be submitted to the Technical Office specified in the Cover Letter of this Cooperative Agreement.

3. The Recipient shall maintain gender-disaggregated data on contacts made and services and training provided. Also, in AEC follow-up on agroenterprises assisted, the recipient shall use its best efforts to maintain gender-disaggregated data on employment generated.

4. Special Reports

The Recipient shall provide special reports as requested by the A.I.D. Agreement Officer, or the Project Officer.

G. Title to Property:

Title to property purchased under this grant shall vest in the Government of Nepal. The Recipient shall have use and custody of the property for this program as long as needed, whether or not the program continues to be supported by USAID or the Government of Nepal. When no longer needed for this program, the property shall be turned over to the Government of Nepal.

H. Special Provision:

1. OMB Circular A-122

The Circular reserves the sections on bid and proposal costs and independent research and development costs. A.I.D. and the Recipient hereby agree upon the following treatment of these costs, pending such time as the Circular is amended to include them

a) Bid and proposal (b&p) costs are the immediate costs of preparing bids, proposals, and applications for potential activities such as Government and non-Government grants, contracts and agreements, including the development of scientific, cost, and other data needed to support the bids, proposals, and applications. In general, (b&p) costs of the current accounting period are allowable as indirect costs. (B&p) costs of prior accounting periods are unallowable in the current period. In this regard, (b&p) costs incurred for the preparation of requests for specific projects and programs are acceptable for recovery as indirect costs. However, proposal costs incurred in the attempt to obtain unrestricted funds are to be treated as fund raising and must be included in the organization's direct cost base. If the organization's established practice is to treat (b&p) costs by some other method, the results obtained may be accepted only if found to be reasonable and equitable. (B&p) costs do not include independent research and development costs which are covered by paragraph (2) below, or preaward costs covered by Attachment B, Paragraph 33, of OMB Circular A-122.

b) Independent research and development (r&d) costs are for (r&d) conducted by an organization which is not sponsored by Federal or non-Federal grants, contracts or other agreements. Independent (r&d) costs must be included in the organization's direct cost base for allocation of its proportionate share of indirect costs. The costs of independent (r&d), including its proportionate share of indirect costs, are unallowable under A.I.D. agreements.

2. Close out

a. Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimbursable costs under the agreement.

b. The Recipient shall immediately refund any balance of unencumbered cash that A.I.D. has advanced or paid and that is not authorized to be retained by the Recipient for use in other grants or agreements.

c. The Recipient shall submit all financial, performance, and other reports required as the condition of the agreement within 90 calendar days after the date of completion of the agreement. A.I.D. may grant extensions when requested by the recipient.

d. When authorized by the grant, A.I.D. shall make a settlement for any upward or downward adjustments to A.I.D.'s share of costs after these reports are received.

e. The Recipient shall account for any property acquired with A.I.D. funds or received from the Government in accordance with provisions of paragraph T of Chapter 1 of HB 13.

I. Cost Sharing

It is understood that FNCCI will pay the complete cost of rent of the physical property where the activities supported by this agreement will be conducted. A.I.D. and FNCCI will each pay 50% of the cost of utilities. FNCCI shall pay 10 percent of the cost of repairs and maintenance of office equipment, telephone installation and service, stationary expenses, courier, telex and postage costs, and computer and fax supplies.

J. Alterations and Additions to Standard Provisions:

1. In Attachment 3, Standard Provisions, delete the words "Grant" and "Grantee" wherever they appear and substitute in lieu thereof the words "Cooperative Agreement" and "Recipient"

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2. The Following Optional Standard Provisions are determined to be applicable to this Agreement and are hereby incorporated herein:

- a. Provision 1 : Payment - Periodic Advance
- b. Provision 3 : Air Travel and Transportation
- c. Provision 4 : Ocean Shipment of Goods
- d. Provision 5 : Procurement of Goods and Services
- e. Provision 6 : AID Eligibility Rules for Goods and Services
- f. Provision 7 : Subagreements
- g. Provision 8 : Local Cost Financing
- h. Provision 10 : Publications
- i. Provision 11 : Nondiscrimination
- g. Provision 12 : Regulations Governing Employees
- h. Provision 20 : Title to and Care of Property
(Cooperating Country Title)

PROGRAM DESCRIPTION

BACKGROUND:

USAID/Nepal has identified a number of factors which impede the development of more open agricultural markets and limit the role of private sector agroenterprise as a stimulant to agro-based growth. These constraints are:

- Nepali agro-entrepreneurs lack ready access to market and technical information/services;
- HMG trade and investment-policies, regulations and procedures are unnecessarily complex, unclear and inconsistently applied;
- Small farmers are not organized nor adequately assisted to produce the qualities and quantities of cash crops required to enter into more remunerative markets; and
- There is almost no public or private research and development capacity within Nepal that focuses on the needs of private sector market-oriented farmers and processors.

Relatively little donor assistance, however, has been provided in support of private agroenterprise development. In part, this is due to the traditional concern donors have had for creating at least minimal capacity within government to provide support services. It also reflects the past strategy bias of the GON in favor of central government control and execution of development activities. These approaches and attitudes are changing, and a few attempts have been made to understand who innovative agroentrepreneurs are and what their needs might be.

Rationale for A.I.D.'s Involvement

USAID/Nepal's agricultural strategy posits that Nepal's comparative advantage lies in its enormous agroecological diversity--from tropical to alpine--and its proximity to vast markets in India and the rest of South and South-East Asia. Depending on costs of production and transportation, Nepal can competitively produce and sell a wide range of crop, livestock and forest products for import substitution and export.

To be successful, this strategy must be market-led and private sector-driven. USAID/Nepal believes that private sector agro-enterprises can best connect small farmer production with the demand and requirements of diverse domestic and external markets. This strategy calls for free and open development of private producer organizations, commodity associations, agro-processors and trade associations.

Government's role within this strategy, is to improve market infrastructure, pursue stable and conducive economic and trade policies, and develop a supportive and unobtrusive regulatory environment. In Nepal, public sector support is also needed to increase the pace of technology development and adoption, especially that which is suited to the needs and conditions of small farmers.

USAID's comparative advantage relative to other donors clearly lies in the technology systems and agroenterprise development aspects of the sector. Given its long association in agricultural research institution-building, USAID has the knowledge and standing to assist in forging close links between the agricultural research system and clients (farmers and agroenterprises). Constituency-building and client-responsiveness are essential for generating technologies needed for commercial expansion within the sector and, ultimately, for ensuring the sustainability of the research organization. Through the Agricultural Research and Production Project (ARPP), USAID/Nepal has helped the agricultural research system move toward greater autonomy and flexibility so that it can become more responsive to farmer needs. Under ATSP, this experience is now to be extended to the command areas of all major research stations.

A.I.D.'s experience in many developing countries points to the major role private agroenterprise, broadly defined, plays in moving agriculture from a subsistence toward a commercial orientation. This transition is the key to further agro-based economic growth in Nepal.

Project Goal and Purposes

Sector growth requires expanded market-oriented, private sector-driven investment activity, a more dynamic flow of technologies, and greater entrepreneurial participation. The goal of the Agroenterprise and Technology Systems (ATS) Project is to link private agroenterprise, farmer and public resources to achieve medium-term increases in farm incomes and agriculture's contribution to economic growth.

The project will seek to accomplish this goal by pursuing the following broad objectives:

- Strengthen the role of the private sector in expanding markets for Nepali farmer production.
- Accelerate the selection and adoption of productivity-increasing technologies and value-adding services suited to the needs of Nepal's farmers, agroenterprises and market opportunities.

To achieve these objectives, the ATS Project will:

- Establish a private sector support facility capable of linking agroenterprises (e.g. producer groups, commodity associations, farmer enterprises and firms) with sources of technical and marketing information and services.
- Support the implementation of major management reforms within the National Agricultural Research Center (NARC) to give it the flexibility, incentive structure and decentralization needed to make NARC more cost-effective and responsive to location-specific needs of farmer and agroenterprise clients; and
- Establish a client-oriented research outreach program within the command area of each regional station to give Nepali farmers a greater say in the development of the NARC research agenda.

The Project will provide assistance to private and public sector institutions--namely, the Federation of Nepalese Chambers of Commerce & Industry (FNCCI) and the National Agricultural Research Center (NARC).

Agroenterprise Support Component

1. Problem

A careful analysis of Nepal's potential markets and the constraints faced by private firms--large and small--that compete in these markets reveals the following:

- Northern India, a market of 350 million people, will continue to offer unlimited opportunity for expanding trade in both fresh and processed products. Active demand for processed vegetable oils, pulses, seed potatoes, vegetable seeds, temperate fruits (processed or fresh), nuts, processed spices and medical herbs is projected for the decade ahead.
- While significant scope exists for expanding regional and, in some cases, broader international markets for Nepali agro-based products, production, post-harvest handling and marketing capacity is limited and needs to be strengthened at both farm and firm levels;
- The pace at which production and processing technologies for high-value export commodities is being developed and disseminated is slow and there is a critical need to accelerate the process through public and private research efforts.
- Forward linkages to external markets, and the organization of domestic production for such markets, require expanded business contacts and joint ventures between Nepali and foreign partners;

- Although GON export trade and investment policies are improving, a profusion of antiquated rules, regulations and procedures persist which defeat the intent of more liberal policy directives. Concerted donor action in cooperation with private sector interests, is essential to expand the import/export liberalization process established under the World Bank/IMF Structural Adjustment Program, to simplify commercial and business codes, and to rationalize remaining regulations;
- Despite such obstacles, many Nepali entrepreneurs are actively pursuing both agro-export and import substitution opportunities. But they are not familiar with technical and marketing information and assistance sources;
- Given reasonable levels of technical guidance, farmers in quite remote hill areas are willing and able to produce cash crops. Ample on-farm income and employment benefits have been obtained from pilot activities. However, limited marketing knowledge and experience are major constraints to expanded cash crop production;
- Recognition of the need to stimulate commercial, market-oriented agricultural growth, and the need to encourage private sector leadership in it, represents a recent shift in emphasis expressed repeatedly by high-level GON officials. Political commitment is mounting to accelerate this process.

Following up on these findings, USAID/Nepal, in cooperation with Nepal's Agricultural Development Bank and the U.S. National Cooperative Business Association, sponsored a three-day workshop in November, 1989 to discuss practical ways of promoting domestic and export marketing of high-value Nepali fresh and processed agricultural products. The workshop was attended by private sector investors, bankers, service organization representatives and government officials. They urged substantial changes in the regulatory environment and a more dynamic and cooperative relationship between government and private enterprise. Playing down the need for credit, participants argued that investments in training, especially in business management, and restructuring of export procedures would produce the best long-term returns.

2. Solution

Building on workshop recommendations, the Federation of Nepal Chambers of Commerce and Industry (FNCCI), and its 75 affiliated local chambers throughout Nepal, have established a permanent Agroenterprise Sub-Committee (AESC) to promote the production, processing and marketing of high-value processed agricultural products.

SCOPE OF WORK

The Agroenterprise Sub-Committee (AESC) serves as the executive organ of the FNCCI responsible for planning, coordinating, promoting and encouraging agroenterprises, including commodity groups and associations. Membership is comprised of senior FNCCI management and leaders from Nepal's agroenterprise community. This private sector initiative will be supported by the Project.

A permanent secretariat, known as the Agroenterprise Center (AEC), composed of five permanent staff, will be established to carry out daily activities (see Figure 1 for the detailed structure). Management will include a Managing Director and a Deputy. This management team will be assisted by an ATSP Project supported US Agribusiness Advisor experienced in planning and implementing promotional and international marketing activities.

DESCRIPTION OF AEC ACTIVITIES

1. Services to Producers, Processors and Exporters

The AEC will provide or broker a variety of services, either directly or under contract, to Nepali agricultural producers, processors and exporters. For example, the Center will directly provide a computerized market and price information service to assist local investors in planning new ventures. The service will consist of a data bank containing information on the structure of Nepal's agro-industry, the laws and regulations that affect these industries, statistics on related foreign demand and domestic production and export. A price information service will also be established to provide daily foreign prices for selected commodities as reported by Reuters, New Delhi. Prices will be faxed on a same day basis to agroenterprises that subscribe to the service and on a next day public media basis through local TV and radio.

2. Support to Commodity Groups and Agroenterprises

The AEC will take an active role in identifying and brokering services which specific Nepali commodity groups and agroenterprises need in order to expand their commercial agro-based activities. With Project support, the AEC will assist interested groups or firms to obtain access to specialized short-term services, from both Nepali and external sources, in a range of areas, including assistance with: marketing feasibility studies; export promotion; environmental appraisals; post-harvest handling/processing/packaging technology; management studies; producer group business and production organization; and specialized hands-on training. The provision of such services will be on a cost-sharing basis scaled to the ability to pay of the client.

3. Support for Contract Research

Working through the National Agricultural Research Center and other appropriate sources, AEC will arrange and fund contract research to improve the quality and price competitiveness of traditional Nepali agro-products (such as ginger, cardamom, medicinal herbs, pulses, and hides and skins) and to examine non-traditional high-value exports (e.g. cut flowers, vegetable seeds, silk, mushrooms and essential oils). Competitive production and processing of some of these commodities has already been demonstrated in Nepal on a pilot production basis. These products, along with certain fruits and vegetables such as peaches, asparagus, and strawberries, enjoy high off-season demand in neighboring countries. Preliminary analysis suggests that current profit margins could sustain higher air transport costs and still remain competitive.

4. Support to Commodity Associations

Commodity associations controlled by producers or enterprises (e.g. seed companies) will be given organizational support to strengthen their ability to obtain services and markets. These associations will be useful in representing and promoting the interests of the commodity group to government and to domestic and foreign buyers and in identifying and transferring technologies to farmers. The AEC will also identify farmer groups throughout Nepal who are able to produce quality raw materials and help them to link up with processors or marketing agents who are seeking those products. In fact, many NGO or rural development projects have organized farmer producer groups who are now interested in developing post-harvest handling, processing, and marketing activities. The AEC will maintain a roster of experienced Nepali firms that can be contracted to provide farmer groups with the organizational and technical assistance they need to effectively enter into contractual arrangements with interested processors and buyers. The Project will directly fund most of the costs of this assistance.

5. Policy Dialogue and Analyses

Finally, the Center will promote, through thoughtful analysis and dialogue, adjustments in government policies that encourage agro-processing investment and export. Focus will be on policies already identified by Nepali businessmen including: changes in sales tax procedures for imported inputs, reductions in tariffs on imported processing inputs, regular issuance of bonded warehouse warrants, and repeal of the one percent export tariff. Studies and related dissemination of results will be supported with Project funds. In addition, a small amount of Project funding will be available for specific studies of marketing problems which cut across the sector, and for selected action research and small pilot interventions to test technologies or

organizational approaches suited to the special needs of Nepali small farmers and firms. These activities will be commissioned directly by USAID/Nepal in consultation with FNCCI or the Ministry of Agriculture, depending on the subject.

USAID/Nepal, because of grant support to and interaction with Nepali women's business groups (e.g., Women Entrepreneur Association of Nepal and Business and Professional Women's Club) and individual women agroentrepreneurs, recognizes the current and potential importance of capable Nepali women in this agro-enterprise sector. In addition, USAID project experience in the Rapti Zone, and experiences of Lumle and Pakhribas Stations and NGO projects, suggest that women farmer-producer groups are beginning to organize around certain cash crops. The ATS Project will require that the AEC make serious efforts to include current and potential businesswomen and managers as beneficiaries of Project supported expert services, training, out-of-country study trips, and information services. Also, commodity associations should include women's groups or be readily open to women members. The Project will require that the AEC maintain gender-disaggregated data on contacts made and services and training provided. Also, in AEC follow-up on agroenterprises assisted, it will be useful to maintain gender-disaggregated data on employment generated.

RESOURCE REQUIREMENTS

In support of the above activities, the Agroenterprise and Technology System Project will assist in establishing and operating FNCCI's Agroenterprise Center. Project support will be provided up to five years, for direct operational support, specialized services contracted through the Center, and selected pilot interventions. Support will include funding for establishment and initial operation of the AEC, including export marketing information and contacts, specialized agroenterprise services, contract commodity research, policy and market analysis, price reporting services, travel and training, and minor equipment purchase (FAX machines, personal computer, software, other office equipment).

In addition, through the prime contractor the Project will provide the services of a senior Nepali manager to organize, promote and manage the Agroenterprise Center for up to 5 years. He or she will be supported by an expatriate international marketing specialist during the first two to four years. To assist the Manager of the AEC, USAID/N will fund an assistant manager under the Cooperative Agreement.

Service charges and other fees recovered by the AEC will be used to partially meet the costs of the AEC during the Project

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period. Subsequently, only services for which full operating costs can be recovered will be continued by the AEC. The Project will also support semi-annual-management reviews and two evaluations to make needed adjustments in Project activities, assess impact and sustainability issues, and document important lessons learned.

END-OF-PROJECT OUTPUTS

A major output of this Project will be that private agro-enterprises and organizations will provide marketing and technical information to members, have operational links with NARC and other information sources, participate in setting research priorities, and be more effective in presenting and debating policy and regulatory issues. Specifically, the FNCCI will operate an agroenterprise information service and broker assistance to firms and producer groups; agroenterprises will be better at obtaining technical information from NARC and other sources; and, policies and regulations favoring private client interests will be found in the RCC, National Seed Board and in regulatory bodies.

SUSTAINABILITY

The Project, as a whole, speaks directly to sustainability issues. In broad terms, the sustainability of the rural transformation process can best be assured when the needs of farmers, farmer groups, agri-businesses, marketing agents and service providers are taken into account. Past approaches have been overly narrow in defining the range of players and in focusing on production input supply rather than on market realities. Farmers have frequently been considered passive "beneficiaries" of what government programs have determined is needed, rather than as micro-entrepreneurs who know what their needs are. The ATS Project will strengthen the capacity of Nepal's farmers and agro-enterprises to voice their needs and obtain the services they want.

With regard to the FNCCI, all services provided through that institution will require user contributions. These could reflect the full cost in the case of some larger clients, and a very minor portion of the cost in the case of a newly formed producers' group or association. Project support will make up the difference. Funds collected from users will be used to partly offset the costs of the AEC during the Project period and partly to build up a rotating fund which the AEC will use to continue scaled-back services once the Project is over.

MONITORING AND EVALUATION

The Project will include three levels of monitoring and evaluation. The first will track the year-to-year progress made in implementing planned project activities (inputs). The second level will focus on the achievement of desired institutional

improvements (outputs). The third will attempt to determine the magnitude of impacts achieved within components and by the Project as a whole.

1. Implementation Progress Reviews

With regard to monitoring of year-to-year progress, this will be done on the basis of six-month reviews for both the agro-enterprise and research components. During the first two years, the review will also be used to assess the collection of suitable baseline data for subsequent impact assessments.

An external Agroenterprise and Marketing Specialist, working with a local consultant, will be called on to conduct the six-month review of the progress being made in implementing the Agro-enterprise Component. This will facilitate the mid-course refinements and adjustment of activities which will undoubtedly be called for by this new undertaking. The review team will report jointly to the Agro Industry Sub-Committee (AISC) of the FNCCI and USAID/Nepal on their findings and recommendations. The Sub-Committee, with USAID concurrence, will authorize the AEC to make the changes called for and agreed upon.

2. Performance Evaluations

Performance evaluations will include the activities under the Agroenterprise Component; key performance indicators will include:

- The numbers and types of enterprises assisted.
- The degree to which farmers' groups and woman-owned/controlled enterprises, are included.
- The presence and effectiveness of private agroenterprise representation on trade issues and on the RCC and National Seed Board.
- The increased numbers of farm groups and commodity related associations formed with AEC assistance.
- The kind of contract research commissioned to NARC or other technology sources.
- Numbers and kinds of export related contacts facilitated through AEC assistance.
- The proportion of costs recovered through charges for sources and their application.

Such reviews, to be conducted by third party evaluations, will occur in 1992 and 1994. These reviews will provide the basis for making mid-course adjustments of activities and for further fine-tuning performance indicators.

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3. Impact and Sustainability Evaluations

Beginning with the 1994 Performance Evaluation, but culminating in 1996, the degree to which Project impacts and sustainability are being achieved will be assessed. These evaluations will determine:

- The impact of increased commercial agro-based activity on sectoral performance, including the value of exports.
- Impacts of increased market production on farm income and employment.
- The increase in organized farmer groups and agro-associations and their impact on commercial agricultural activity, including promotion of favorable policies and regulations.
- The degree and impact of greater client involvement in setting and assessing research agendas.
- The likelihood that project stimulated initiatives in agroenterprise and research strengthening will be carried on once the project is over.

The evaluations will be conducted by external consultants and Nepali counterparts. The results will be presented first to USAID, RCC and the FNCCI, and then to a broader GON, private sector and other donor audience.

The above reviews and evaluations are to be done as a feature of project management, oversight and assessment.

4. Consistency Between Mission Program Performance Indicators and Project Impacts

The USAID's statement of agriculture and agroenterprise program performance indicators includes the following objective:

"Expand access of farmers, rural groups, and agroenterprises to market opportunities in order to increase their economic options and incomes."

This program objective is reflected in the goal and purpose statement of the ATS Project. The Project is USAID's main instrument for achieving the performance objective. The indicators for this performance objective are completely compatible with and practically identical to the measures of project performance and impact. The information collected on market-crop impacts at the farm level will be gathered as a

single exercise from the Rapti Zone. Similarly, the information related to private agroenterprise activity can be collected simultaneously for both exercises.

OTHER RESOURCES TO BE PROVIDED BY USAID UNDER THE ATS PROJECT

1. TRAINING RESOURCES

The Project will provide short- and medium-term training to Nepalese agroenterprise managers in management and marketing skills. Most of the short courses will be held in Nepal. Some promising young managers nominated by FNCCI will be provided advance training grants for short-term training in the U.S. or India after it is approved by USAID. This training program will be handled by the TA Contractor of the project.

2. COMMODITY PROCUREMENT

The agreement will fund procurement of computers, printers, FAX machines, and other office equipment. Procurement shall be accomplished in accordance with the Recipient's procurement policies.

LEVEL OF EFFORT

To carry out daily activities, the AESC will in turn establish a Secretariat which will be known as the AGROENTERPRISE CENTER (AEC). Its staff will consist of the following:

Managing Director
Deputy Director
Agribusiness Advisor(U.S.)
Computer Operator
Driver/Auxiliary
Peon

The Managing Director will be directly in charge of all activities related primarily to agro-industry (processing trade services and industrial inputs). The Deputy Director will be directly in charge of all activities related primarily to agricultural and livestock (agricultural production, services, and inputs, trade in untransformed agricultural products). In planning and implementing these activities they will both be assisted by the Agribusiness Advisor.

Most activities will be carried out by other organizations under sub-contract with the FNCCI/AESC. However, the AEC will provide certain direct services.

LOGISTIC SUPPORT

FNCCI will provide office space and other secretarial support.

ATTACHMENT 3

ANNUAL PLAN OF IMPLEMENTATION AEC/FNCCI1/

PERIOD COVERED: JULY 15, 1991 TO JULY 14, 1992 (FNCCI/FY)

III. FNCCI/AEC WORK PLAN

- A. Annual Plan Project Year 01.
(July 15, 1991 through July 14, 1992; i.e. one Fiscal Year)
- B. Elaboration of activities contained in Table 01

The elaborations are presented in this section consistent with the ordering and numbering of activities listed in Table 01. The individual activities or tasks are grouped under the three main sub-objectives of AEC, namely: (1) institutional concerns that mainly focus on setting up the AEC office, including staff recruitment and policy plus procedural matters that govern the total conduct of all activities of AEC; (2) the actual provision of services focused on AEC main target clientele, i.e. agro-entrepreneurs, agro-enterprises and agro-product groups and organizations; and (3) the public relations concerns that include the undertaking of macro as well as micro specific policy assessments followed by support-generation-for-change through effective information dissemination.

This Work Plan is intended to serve as the primary focal point for documentation and formal agreement on activities and procedures to be executed following the signing of the CA. It will be used as a benchmark in evaluating AEC implementation progress. Following periodic joint reviews by USAID and FNCCI, the Work Plan shall be modified to show changes in scheduling and insertion/deletion of activities as appropriate.

1/ The Agro-enterprise Centre (AEC), to be established at FNCCI, is part of the larger USAID/N and GON Agroenterprise and Technologies System Project, henceforth, referred to as ASTP.

TABLE 01: MONTHLY PLAN OF IMPLEMENTATION, FNCCI/AEC,
JULY 15, 1991 - JULY 14, 1992.

COMPONENTS & TASKS	DATE ^{1/}
I. Institutional	
A. Office + Support -	
01. Office Space Identified & Acquired	July 15, 1991
02. USAID-FNCCI CA Executed	July 30, 1991
03. Personnel Required + TOR + Qualifications Finalized	Oct. 01, 1991
04. AEC Staff Recruited	Oct. 15, 1991
05. USA-TA On Board	Nov. 01, 1991
06. Support Equipment Finalized, Procured & Installed	Oct. 15, 1991
07. AEC Links with FNCCI-UNDP Assistance Established	Nov. 15, 1991
08. AEC Links with NARC Established	Nov. 15, 1991
B. Procedures Set and Established (Policy Driven)	
09. Operational Policies of AEC Finalized	Jan. 15, 1992
10. Info-in, Info-out/Data Base; Policy, Content + Procedures Set	Dec. 15, 1991
11. Contracting for Services + Inhouse Agenda	Mar. 15, 1992
12. Supporting Travel or Training (LOP)	Mar. 15, 1992
13. PR (Lobbying) Media + Content (LOP)	Apr. 15, 1992
14. Marketing of Feasible Ideas (LOP)	Apr. 15, 1992
C. Periodic Evaluation	
15. Criteria Set	Oct. 15, 1991
16. Process Set Including Re-adjustments	Jan. 15, 1992
17. Evaluation effected (1st. about Jan. 15, 1992)	6 mths + Annual
II. SERVICES	
18. Information Dissemination (database related) (LOP)	Jan. 15, 1992
19. Feasibility Study of Mkts & Projects (LOP)	Apr. 15, 1992
20. In Plant R & D Supported (LOP)	June 15, 1992
21. Marketing & Joint Venture Assess't (LOP)	June 15, 1992
22. Training Local + Foreign (LOP)	July 14, 1992
III. POLICY ASSTS + PR (LOBBYING)	
23. Macro & Micro Policies Reviewed + Position Paper Prepared - (LOP)	Jan. 15, 1992
24. PR-Releases + Sessions Planned (LOP)	Jan. 15, 1992

^{1/} The date indicated in this column denotes the completion date. Where the activity/task is of a recurring nature over the Life of Project (LOP), then the date is start-up date.

D. TASK LIST AND DISCUSSION

Task #01: USAID-FNCCI Cooperative Agreement (CA) Executed

Completion date, (about) July 30, 1991

As FNCCI operates within the Nepali July 15 - July 14 FY cycle, the CA should be executed as soon as possible, but hopefully by July 30, 1991. The CA will clearly define the relationship between USAID and FNCCI within the overall USAID-GON ATSP Agreement. Budgetary obligations are set along with disbursement procedures consistent with agreed to line items.

Task #02: Office Space Identified and Acquired

July 15, 1991

FNCCI has committed to acquire adequate and separate office facilities to house the AEC offices, which shall include, as a minimum: computer room for data handling; AEC local staff and AEC US-TA Advisor office; and meeting space. No special library facility will be provided for as an expanded and improved facility is to be provided under the FNCCI-UNDP support project.

Task #03: AEC Personnel Required + TORs + Qualifications Finalized

Oct. 01, 1991

The main activities under this task focus on finalizing the list of AEC staff, their job descriptions, qualifications, recruiting procedures, and salary structure. Actual recruiting will be pursued as per FNCCI adopted personnel acquisition procedures.

The local AEC staff is to include:

- * Managing Director incharge of all AEC activities
- * Deputy Director incharge of agro-business development, planning and implementational support
- * Computer operator
- * Secretary
- * Peons

The main concerns here shall be:

- * Creating a long term basis for AEC within the FNCCI total structure in order to assure continuity and sustainability over time. Here, search for effective ways to move AEC from a project orientation within FNCCI to a permanent living organ of FNCCI will be pursued early on, and subsequent structural recommendations made.

- * Setting up of FNCCI responsible individual/entity for supervision/reporting channels of FNCCI-AEC, including responsibilities for setting up personnel policies relating to selection, retention and evaluation of AEC staff; and
- * Clarifying the lines of authority and responsibilities by FNCCI working with the USAID provided long term Agro-enterprise advisor, on the one hand, and the FNCCI-UNDP supported project staff, including the UNDP provided foreign experts. In effect, not only an administrative organogram must be developed, but also a functional organogram that links AEC to all FNCCI internal organs and concerns, on the one hand, and external HMG and private sector concerns, on the other hand.

Task #04: AEC Staff Recruited
Oct. 15, 1991

Based on the guidelines and procedures developed and adopted under Task #03 above, the AEC staff will be recruited accordingly.

Task #05: USAID-TA on Board
Nov. 01, 1991

It is expected that the ATSP recruited Agro-enterprise expert be in Nepal by early October and report to AEC by Nov. 01, 1991. His job description had been set by USAID and accepted by FNCCI (copy of job description + qualifications are attached, herewith, as Attachment A).

Task #06: Support Equipments Finalized, Procured & Installed
Oct. 15, 1991

Prior to actual procurement of office equipment, e.g. computers, photocopying machines and fax systems, the setting up of procurement and utilization policy must be established in writing and approved by USAID and FNCCI Executive Committee. In order to assure maximal benefit from the office support equipments envisaged, AEC leadership must attempt to minimize project specific equipment duplications by seeing to it that all equipment procured by FNCCI conforms to an accepted policy for such acquisition, utilization, and most importantly, maintenance. Data processing specialists will be drawn in to give AEC advise based on equipment anticipated use, i.e information systems, manpower capacities and maintenance (both hardware & software) support systems.

The procurement is to be handled by FNCCI with guidance provided by the USAID Procurement Office.

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Tasks #
7 & 8

AEC links to FNCCI-UNDP Project plus NARC and other relevant organizations

November 15, 1991

This requires an explicit policy for effective program coordination. It is very much anticipated that the linkages be both formal and informal, since the latter may be found to be very much individually set, the former linkages must be safeguarded.

The ATSP-AEC TA Expert will establish working relationship with the FNCCI-UNDP Chief Technical Advisor and all other linkages within and between FNCCI and its operating network.

Tasks #
09-14:

Procedures Set and Established

Developing and adopting operating procedures must be based on set FNCCI policies, and in so doing, personal interests and adhocism may thus be minimized. The body (ies) responsible for setting up the needed policies must involve the Agroenterprise Subcommittee, with inputs from FNCCI office holders, professionals as well as the ATSP-AEC Advisor. The Agroenterprise Center will follow the guidance of AE Subcommittee. This Subcommittee will act as Board of Directors of the Center and will plan, coordinate, and supervise all the activities of the Center. The time table of such activities shall be:

- a) Setting up AEC policy guide lines and operating procedures (OPs) by AE subcommittee.
----- Nov. 01, 1991
- b) AEC Director + relevant personnel/professional propose policy and OPs as per guidelines of (a) above.
---- Dec. 01, 1991
- c) AE subcommittee reviews policies as per (b) above and submits its final recommendations to FNCCI Executive Committee for finalization/adoption.
----- Dec. 15, 1991
- d) FNCCI Executive Committee acts on AE subcommittee policy recommendations and returns the same to AE subcommittee.
----- Jan. 15, 1992
- e) Based on policies, as agreed-to in (d) above, AEC staff develops procedures and sets wheels in motion for "doing business" with service providers.
----- Feb. 15, 1992

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Task #10: Info-in, Info-out/Data Base: Policy, Content & Procedures Set

Dec. 15, 1991

As one of the most important objectives of AEC is to develop and operationalize a client-oriented data base, three main components of this Task must be dealt with:

- a] **Policy:** in the matters of information dissemination, since one of the AECs long term objective is sustainability, then a policy of fee setting responsibilities must be made; i.e who is going to pay what charges to recover what percent of what costs of total or just operational + subscription costs?
- b] **Content:** with the technical inputs of the AEC Director, his deputies plus the AEC Advisor and any other professional, the set of data that is needed can be determined, its sources set along with its frequency,
- c] **Dissemination:** routine data must be disseminated in a timely fashion in order to assure effective usefulness of such data by agro-entrepreneurs in their decision making systems. The medium for data dissemination, e.g., newsletter, faxed transmittal, phone contact, and newspaper dailies must also be defined and subsequently routinized.

Task #11: Contracting for Services + In-house Research Agenda Developed

Mar. 15, 1992

- In order to streamline the process for accessing professional services on demand, in response to perceived or actual agro-entrepreneurs needs, AEC Director, working with his deputies and AEC advisor, develop an Indefinite Quantity Contract (IQC) policy recommendation for FNCCI Executive Committee approval, in which, AEC will call for area-specific (e.g. training or marketing of agro-products) request for proposal from qualified local consulting firms or agencies, for the conduct of work-order specified tasks. The work order (WO) task will be determined by AEC, and its terms of reference (TOR) given to the selected relevant IQC holder. The IQC holder, in turn, discusses the TOR of the WO and submits a brief-outline of methodology, data needs and acquisition, budget plus time table for WO execution. Agreed-to WO proposal will then be sent to USAID-ARD for information and concurrence prior to purchase order execution.

2/5

The IQC approach should:

- a] Reduce the time and overhead costs involved in developing individual RFPs, reviewing the proposals submitted, and executing a contract; and
- b] Enable AEC to quickly, professional-inputs in support of its needs.

Task #12: Supporting Training and Travel

March 15, 1992

This too is to provide service on demand. As such, AEC requires that processing procedures of such requests be developed and finalized on basis of FNCCI-AEC agreed to policies and decision making procedures.

Tasks #

13 & 14: Marketing of Feasible Ideas + PR (Lobbying)

April 15, 1992

These two tasks complement and support each other as they relate to "how to sell an idea," irrespective of whether it is for the setting up of a profitable agro-enterprise based on a feasible concept, or generating social or political support for adoption of a "new position" or modifying an existing one. It is centrally linked to the AEC objectives, policies, OPs, and relationships with outsiders, e.g NARC. What is involved here is the determination of how such ideas are to be communicated to and subsequently acted upon, by the concerned agro-entrepreneur or producer group.

In most instances, several media, including audio-visual's may be considered, individually or in certain combinations. Since the PR/Lobbying tasks are very publically sensitive the choice of message presentation assume great importance. Therefore, who says what, where, why and to whom on behalf of AEC must be very well positioned within AEC and well founded on solid bases to stand on!

Tasks #

15 - 17: Periodic Evaluation

Oct. 15, 1991 + every six months and annual

Evaluation here requires periodic reporting for USAID disbursements of funds as per the CA, as well as the overall substantive objective driven periodic evaluations planned for every six months and annually. The disbursement driven reporting must be done at the end of every quarter and include items noted as per Attachment B to this Work Plan.

Once the policies and procedures regarding AEC implementation are finalized, the criteria for performance evaluation could be developed and subsequently implemented twice yearly as per the CA provisions. Evaluation criteria and process must be finalized prior to initiation of first semi annual evaluation. The criteria must include:

- * performance indicators
- * budgetary bench marks
- * institutional objectives

Use of evaluation results must be built into the implementation readjustment schemes. Since this Implementation Plan is for the initial year of such an inovative undertaking, a host of issues need to be sorted-out before real data can be generated for future planning use.

Tasks #
18 - 22:

Services

The types of services to be provided to Agro-enterprise based entrepreneurs and/or producer groups are all aimed at extending a "broker" oriented catalytic and supportive set of services. AEC will not undertake, internal to its own nucleus organization, major studies but will commission such studies, while it undertakes directly the setting up of the information data-bank plus the leadership in formulating PR, lobbying, or marketing activities. Therefore, it is expected that much of the feasibility type of studies, as well as policy assessments type of studies, be no longer than 2-3 months in duration, after which time the generated results may or may not be further used for PR, lobbying or marketing efforts. This is why by May 15, 1992 it is hoped that the first set of substantive results will start to flow out of AEC which will then be assessed, and if deemed appropriate, subsequently translated into PR, lobbying or marketing presentations.

Task #22: Training Local ± Foreign
July 14, 1992

By the end of this first FY, training needs will be identified, candidate selection processes finalized, and training sites selected. The "Training Plan" developed at the time of the ATSP conception and finalization delineated "on the job training" through teaming up of experts with AEC clients in the performance of certain tasks, as well as short term, but more formal. The AEC long term resident Advisor is also expected to be involved in identifying and implementing on-the-job training opportunities (see Annex C for

Training Plan approach and outline of activities). It is, thus, planned that by the middle of 1992, enough exposure will have been effected to more realistically determine which aspect of the Training Plan will be executed, how, when, and where; while any further indicated revisions will also be adopted.

Task #23:
(Policy assess't
& PR-Lobbying)

Macro and Micro Policies Reviewed and Position Papers(s) Prepared

Jan. 15, 1992

Policies and regulatory statutes relating to industrial development have been reviewed by USAID consultants, as well as UNDP, ADB and other multi-national foreign aided consultants. Many of the aspects of setting up a business or industry in non-agricultural products apply to agroenterprises. As such, in addition to the existing regulatory statutes relevant to production and marketing of agro-based products that are to be included in the data bank, indepth studies of specific macro (e.g. monetary, tax, import-export, labor, etc.) issues will be commissioned by AEC for review, and changes favoring Agro-enterprise development put forth. Similarly, micro related policies and regulatory statutes that affect the development of any product specific agroenterprise, e.g. vegetable seed, oil seeds, cut flowers, fish, poultry and the like, will also be studied and changes recommended. The actual list will be developed consistent with, and following on, the tasks elaborated under the Institutional set of AEC activities as well as the services set listed in the preceding tasks. Initiation of this type of activities may be driven by existing "obstacles" generated by given sets of policies and regulatory statutes, or by new policies or acts that maybe newly proposed for adoption.

The effectiveness of the latter set of activities will be a function of the degree of alertness of the AEC network in spotting policies under review or public discussion, and then directing its PR/Lobbying arm to make sure the proposed policies and acts do favor AEC's total mandate, i.e. agroenterprise development.

1

Task #24: PR Releases and Sessions Planned

Jan. 15, 1992

How to release what information, be it a considered reaction to public statements, or results of deliberate study and review, should be done on a case by case basis within the context of the PR-Lobbying policies set earlier on by AEC/FNCCI, and the media use. "Hot" issues must be dealt with fast, and, as such, press releases or press-conferences may be very appropriate. Issues of "long term" nature must be dealt with more deliberately, and AEC's position expounded most effectively through effective selection of media, (e.g audio-visuals), and medium, (e.g. conference, briefing sessions, working luncheon, or the like).

ATTACHMENT A

1. Agroenterprise Component

Long-term technical assistance to the FNCCI Agroenterprise Center shall consist of an experienced international marketing and export promotion specialist (24-48 months)

The job of the Agroenterprise/Export Marketing Specialist shall involve significant amount of hands-on training as well as identifying and engaging sources of export marketing and related technical support for Nepali agroenterprises. For credibility, the individual selected shall require professional stature and extensive experience as an advisor to both private sector executives and public sector officials. In order to work effectively with FNCCI, private businessmen, and senior GON/NARC staff, the advisor must have broad vision, strong background in agricultural product marketing and a working style that will be effective in Nepal's cultural context.

The Agroenterprise Specialist shall work with the Executive Committee of the FNCCI as an advisor. He/she shall be posted in Kathmandu and report to and receive administrative support from the Team Leader of the ATS Project.

- The Agroenterprise/Export Marketing Specialist shall:
- a] Assist the Agro-Enterprise Center (AEC) of the FNCCI to establish a system for quickly identifying and providing a range of marketing, technical and management services to agroindustries, agro-exporters and related producer groups, associations and service providers.
 - b] Instruct AEC personnel how to set-up, use and manage computer equipment and software, FAX machines, electronic mail; and all other office equipment needed to operationalize a data bank and referral system for the Center.
 - c] Assist other team members in finding and operationalizing links between public research and the technology support needs of commercially-oriented agriculture producers and agribusiness groups.
 - d] Provide quarterly progress reports to the Team Leader Minimum for transmittal to the USAID Project Officer.

Minimum qualifications for the Agroenterprise/Export Marketing Specialist:

- o Academic credentials in business management or economics, M.B.A. preferred.

- o Extensive (8 years or more) experience in assessing agroenterprise potential, development constraints, marketing requirements and promotion options. Proven record of assisting LDC (if not South Asian) agroenterprises to expand their international markets.
- o Excellent communication skills in written and spoken English.
- o Proven ability to work collaboratively with counterpart personnel and provide on-the-job training as necessary.
- o Proven ability to provide hands-on training to subordinate staff in the role of a foreign advisor.

Attachment: B

Quarterly Program Performance Report

Organization: FNCCI/AEC
Cooperative Agreement No:
Prepared by: (Name of individual)
Reporting Quarter: (JFM, AMJ, JAS, OND)
Submitted on: (day's date)

Summary:

Major Activities & Outputs During the Quarter:

(The list refers to activities envisaged under the CA. The list may be expanded or shortened as appropriate. While reporting, include only the activities that have been undertaken during the quarter.)

1. Trade and promotion
2. Clients Served (Gender specific)
3. AEC management and operation
4. Travel
5. Feasibility studies
6. Coordination and collaboration with other organizations
7. Policy Studies
8. Contract Research
9. Commodity Promotion Center
10. In-plant Research
11. Container Industry
12. Export Marketing
13. Training
14. Publicity
15. Data Bank
16. Price Information
17. Staff/Personel
18. Procurement
19. Workshop/Seminar
20. Consultants
21. Evaluation and Reviews

Major Activities or Outputs Planned During the next Quarter

Problem/issues for Action/Decision

Financial Statement

Organization: FNCI/AEC
Cooperative Agreement No:
Prepared by: (Name of Individual)
Reporting Period: (JFM, AMJ, JAS, OND)
Submitted on: (Day's date)
Summary:

Budget Line Item Description	Total Budget	Advance Received	Cumulative Expenditure	Expenditure this Period	Budget Balance	Remarks
A. Oper. Support (Procurement)						
B. AEC OP Cost Personnel						
C. Office Expenses						
D. Subscription						
E. Services on Demand						
Contract Research						
Commodity Promotion Center						
In-Plan Research						
Policy Studies						
Container Industry						
Training (Local)						
Publicity						
Evaluation Studies						
Others						
Total						

TRAINING PLAN

A. - Agroenterprise Component

- To help alleviate the shortage of managerial manpower in agroindustry, the Project will offer short and medium-term training to Nepalese agroenterprise managers in management, and particularly marketing, skills. The complementary World Bank Project plans to offer medium and long-term training in this area. In addition, the FNCCI Agroenterprise Center (AEC) will provide some support for contracting organizational and technical (e.g. processing or marketing) assistance/training for farmer commodity groups. Also, through the mechanism of contracting services of experts, the AEC will create opportunities for foreign experts to share information and skills with local agroenterprise clients, local contracting firms, and faculty in local training institutions, in such skill areas as export or domestic marketing, processing, container industries and preparation of feasibility studies.

In-country Training for Agroenterprise Component

Short-term courses (average 10 days) will generally be held in Nepal, under the auspices of an educational institution, such as:

- Tribhuvan University (Dept. of Economics or Centre for Economic Development and Administration)
- Management Association of Nepal
- Nepal Administrative Staff College
- Small Business Promotion Project

As required, expert foreign instructors will be brought in by USAID's TA contractor to strengthen the teaching staff. In general the courses will emphasize applied systems and case studies rather than theory. For the first half year of project operations, promising young managers will be identified. Beginning in the second half-year, they will be offered three types of courses:

a] Management of Agroindustries
Curriculum:

- | | |
|---|-----------------------|
| - principles of management
(planning, organization,
control, motivation,
leadership) | - business planning |
| - adoption of technologies | - financial planning |
| - laws and regulations | - marketing |
| | - product development |
| | - cost accounting |
| | - MIS |

b) Domestic Marketing

Curriculum:

- demographics
- product introduction
(test marketing)
- wholesale distribution
- packaging and labeling
- market share and price
- market studies
- advertising and promotion
- quality control
- retail systems and techniques
- brands and trade marks

c) Export Marketing

Curriculum:

- assessment of market opportunities by country and product (supply-demand equilibrium)
- joint-venturing with foreign distributors positioned in the market
- acquisition of market-specific technologies
- forwarders and customs agents
- insurance
- sources of information on regulations
- seasonal niches
- analysis of price competitiveness
- strategies for gaining market share
- presentation of samples
- quality control
- distributors label, producer brand label, generic products
- financing and LCs
- handling disputes