

**NATIONAL WORKSHOP ON PRO-POOR POLICY
FORMULATION, DIALOGUE AND IMPLEMENTATION AT
THE COUNTRY LEVEL**



Organized by
Institute for Integrated Development Studies (IIDS)/SAMANATA/Centre for
Policy Analysis and Development (CPAD)
And
Ministry of Agriculture and Cooperatives (MoAC),
Government of Nepal



Supported by
Food and Agricultural Organization (FAO)
22 April 2009
Kathmandu, Nepal

A BRIEF REPORT

The Food and Agricultural Organization (FAO) of the United Nations has been conducting a project, entitled Pro-Poor Policy Formulation, Dialogue and Implementation at the Country Level for Nepal. Under the project, it contracted and financially supported the Institute for Integrated Development Studies (IIDS) to carry out studies on two thematic areas, namely (i) Livelihood and Employment (Farm and Non-farm) Enhancement for Rural Youth, Women, Landless and Marginal Farmers and (ii) Pro-poor Technology Development and Service Delivery, and Centre for Policy Analysis and Development (CPAD) to carry out one study, namely (iii) Public-Private Partnership and Cooperative and Contract Farming. The studies were coordinated under the Ministry of Agriculture and Cooperatives (MoAC), Government of Nepal.

On the completion of the studies, a national workshop was organized and held on 22 April 200 at Kathmandu by IIDS, CPAD and the MoAC with the support of the FAO to present the findings and recommendations of the three studies and to collect the participants' views and suggestions. The workshop was participated in by about 60 persons representing government ministries, line agencies, departments, private sectors, and national and international nongovernmental organizations working to improve and enhance the production and productivity of Nepal's agricultural sector.

The workshop was divided into four sessions. The first session was the opening session, whereas the next three sessions were dedicated to the presentation of the findings and recommendations of the studies on each of the three thematic areas. The last session was the concluding session. (see Attachment for programme schedule). A brief report of the proceedings of the workshop by session follows.

OPENING SESSION

The Opening Session had Hon'ble Mr Ratneshwor Lal Kayastha, Member, National Planning Commission as a chief guest. It was chaired by Mr. Shankar Prasad Pandey, Secretary, MoAC. Dr Mohan Man Sainju, Chairperson, Governing Council, welcomed the participants. Dr Sainju began his welcome remarks by pointing out that the issues being discussed at the workshop were of importance not only at national or regional level, but also at global level. Introducing the objectives of the workshop, he said that the studies and the workshop would be discussing what kind of policies we had for alleviating poverty; what were the implementation mechanisms we had at our disposal; whether they were effective or not, and, most important of all, it would identify and pinpoint who are playing a role in poverty alleviation, and whether there is a dialogue system existing among these institutions and individuals because such a network of institutions and individuals would enhance our capability to address the problem and share our knowledge and experience in the area of poverty alleviation. Dr Sainju pointed out that, although there had been policy pronouncements, and government's plans, programmes and directives had always included poverty alleviation and had pro-poor orientation, their implementation lacked the same passion.

In his remarks, Dr Purushottam Mainali said that, in spite of impressive economic growth in the past decade in the Asia and Pacific region, this region was home to a majority of the poor in the world. Agriculture is the most important and potential sector for transformation of rural areas of Nepal, where poverty is widespread. He noted that, any intervention in this sector would contribute to the major segment of the population of the country and to the national economy, food security, health status, employment situation, social protection, etc. Therefore, he termed agriculture as the driving force for economic and social empowerment of the country. Appropriate policy, increased investment and institutional reform in this sector would contribute to poverty reduction and food security. Target population focus policy in agriculture sector was important. Therefore, the present effort to analyse country-specific situation and formulation of pro-poor agricultural and rural development policy would be beneficial for the overall development of the country and of this region. Dr Mainali concluded his remarks with the hope that the outcomes of the workshop would be important inputs for pro-poor policy formulation.

Highlighting the background of the project, Dr Hari K Upadhyaya, Policy Facilitator, FAO/RAP, said that, despite the fact that the Asia Pacific region in the past three decades had grown the fastest the world over, poverty remained a daunting challenge, not only in Nepal but also in many other countries of the Asia Pacific region. Notwithstanding the dramatic progress from 1992 to 2004, when the region grew at an annual average growth rate of 5.4% as against the global economic growth of about 1.8%, poverty still remained rampant in the region. He noted that those countries that had experienced higher overall growth rates led by agricultural sector and had appropriate agricultural and rural development policies responsive to the needs of the poor were the ones that experienced larger reductions in poverty, eg China, India, Viet Nam and Indonesia. All these experiences and regional evidences indicated and reinforced the importance not only of the agriculture sector but also of the policies that were supportive to the needs of the poor that were concentrated in agriculture. In this context, the need for appropriate pro-poor agricultural and rural development policies was felt. But many countries lacked the institutional capacity to analyse, formulate and implement the right kind of pro-poor policies. It was in this context that IFAD and FAO joined hands to launch a regional programme called Pro-Poor Policy Formulation, Implementation and Dialogue at the Country Level. He added that this programme had been assisting eight countries of Asia, including Nepal, in the identification of priority policy issues, analysis of these issues, following the analysis of the issues and based on the recommendations, formulation of appropriate pro-poor policies and then implementation.

Terming the workshop as the major milestone of the programme, he expressed his belief that all possible stakeholders should be given the opportunity to reflect on the conclusions and recommendations of the policy analyses before the government took up the recommendations of the policy analyses.

After Dr Upadhyaya' remarks, Ms Bui Thi Lam, FAO Representative, in her remarks, identified three issues to be taken up at the workshop: (i) importance of policy work in Nepal; (ii) some issues concerning the pro-poor policy; and (iii) the partnership between the FAO and the government of Nepal through the National Planning Commission and the ministries concerned on policy issues in Nepal. She then elaborated on each of the three issues. On the first issue, she said that it was important to have a timely updated policy on agriculture and rural development in Nepal. According to her, there were a lot of areas where policy work could produce very

effective impact on sectoral development. The GoN must think about an institution that can take the lead in shaping the country's economic and agricultural policies. This would become the centre of dialogue and also analysis of the issues, challenges and increasing opportunities faced by farmers, especially the poor, in this country and to help this country take the most benefits of the policy impact. Similarly, we must also deliberate on how we can make the existing policy not only a theoretical document but also durable and implementable. Describing policy as an integrated approach that requires concerted efforts from all concerned, she expressed her view that policy was always a challenging area, but one which could change the whole scenario of agriculture. Said she, "Policy is a flexible and adjusting process, and nothing can be done without lessons learnt."

Delivering his remarks, the chief guest, Hon'ble Mr. Ratneswor Lal Kayastha, pointed out that, right from the first plan period, agriculture has been the main focus of Nepal's development. However, he lamented that, although the country had already completed the Tenth Plan, the agricultural situation in the country had not improved. Said he, "We have to see agriculture in a very sustainable and competitive way for the whole development of the country."

The chairperson, Mr. Shankar Prasad Pandey, remarked that the government should focus on the poor service delivery. He further noted that the technology that the country had been applying in agriculture was imported and not so practicable for the poor people living in rural areas. Furthermore, the returns in the agriculture sector had not been compatible to the investments. Noting that the agriculture sector had a significant role to uplift the economic status of the poor, he said that our strengths in the agriculture sector were that we have got land, indigenous technology, we have also injected new technology, and our own institutions, including at field level. However, coordination was lacking between agriculture and livestock offices in the field and there is no integration and coordination between programmes. Referring to the three thematic areas, he said that they were important not only to the agriculture sector but also to the national economy as a whole.

SESSION ONE

In the first session, the findings and recommendations of Thematic Area 1, viz. Livelihood and Employment (Farm and Non-farm) Enhancement for Rural Youth, Women, Landless and Marginal Farmers, was presented by Dr Govind Koirala. Dr Koirala and Dr Ava Darshan Shrestha of SAMANATA, had carried out the study on behalf of IIDS. The session was chaired by Mr. Tek Bahadur Thapa, former Secretary, MoAC.

After the presentation, the floor was thrown open for discussion. During the open floor, a number of participants posed their queries and offered suggestions for incorporation in the paper. Some of the queries, suggestions and the issues raised by the participants were as follows:

- The researchers have taken women as a group. You have to look at women's specific issues within each group—the youth, landless.
- The process and outcomes have not included the empowerment approach.
- The recommendations should include not only awareness but also empowerment with the rights-based approach.

- Examples of various sustainable and successful delivery models developed in Nepal should be included.
- Livestock and milk production sector being supplementary activities of the total agricultural system has to be given the high priority in policymaking.
- Since women in most villages in all districts of Nepal spend most of their time in livestock care, livestock care should be taken into account in time-saving devices.
- Before going to micro level, we must understand the institutional model on pro-poor programme, especially for targeted programmes on the thematic areas. Considering the degree of socialization, local capacity-building, networking, linkage to supply and demand, pro-poor livelihood programmes should be NGO-led.
- We should adopt a strategy that can complement the enterprises of the poor and the rich.
- Agriculture is competing with migration. The youth are leaving agriculture in favour of migration, which is more profitable and high income-yielding. People are migrating abroad even from areas where they have considerable land, but where agricultural productivity is low even if they have low income abroad. This trend should be arrested by providing them with alternative employment.
- The tradition that agriculture is the last resort when everything else fails is the biggest hindrance. Therefore, each of the three papers should cover this aspect in its recommendations.
- Functional coordination right from the centre to the field level can to some extent solve the problems.
- In most of the places, the system of group fund—even by working as wage labour—has been started. Such group funds should be utilized.
- The prevalent human resources—whether in government agencies or others—cannot address the needs of the grass roots people of all areas. Their institutional development and networking is important.
- We are focusing the problems and prospects more on land-based and production areas. There are issues related to off-farm such as processing, collection and marketing. These aspects should be looked into.

After Dr Koirala's response to queries, the chairperson, Mr Tek Bdr Thapa, gave his closing remarks. Commenting on the paper, he observed that, unlike other groups, when we are catering to the youth group, we have to do it in a different way to attract them.

SESSION TWO

Session Two was chaired by Dr Posh Raj Pandey, Chairman, SAWTEE. In this session, Mr Asheshwar Jha and Dr Ram Pratap Sah presented the paper on Thematic Area 2, viz. Pro-poor Technology Development and Service Delivery.

After the presentation, the floor was open to discussion. The following queries and suggestions were posed during the floor discussion:

- If we are to identify pro-poor scientists—it should be beyond NARC because NARC’s role is more of facilitation. Pro-poor scientists are those from outside govt sector and extension system because they work in close proximity with the target group.
- We need to think of technology in terms of enterprise development.

Responding to the participants’ queries and suggestion, the researchers’ said that all public and private sectors, NGOs and INGOs that were working for poverty alleviation had their own strengths and weaknesses. Perhaps there was need for complementation and joint work.

Giving his closing remarks, Dr Posh Raj Pandey, chairperson for the session, said that the biggest challenge to making the agricultural policy pro-poor was livelihood diversity, particularly in rural areas. Until and unless we addressed livelihood diversity, we would not be able to move ahead with our agriculture. We must keep farmers—real actors—at the centre-stage so that it would be much more cost-effective and moreover farmers would have the incentive to adopt new technology.

SESSION THREE

In Session Three, Dr Devendra Chapagain and Dr Birendra Bir Basnyat presented the findings and recommendations of the study on the third thematic area, viz Public-Private Partnership and Cooperative and Contract Farming. The session was chaired by Dr Mahesh Banskota, Dean, School of Arts, Kathmandu University.

After the presentation, the floor was thrown open for discussion. The queries and issues raised and suggestions advanced on the presented included the following:

- There are problems in implementation and management. It is managed and operated by a handful of people. If we could run cooperatives efficiently, it would solve the problems of the poor. In the dairy sector, almost 90% of the cooperatives are running on contract system. All the benefits of the cooperative are usurped by contractors. This must be duly considered in the policy to be formulated in the future.
- Theoretical foundation of the PPP is wrong. The ultimate objective of the private sector is always to make profit, whereas that of the govt is service delivery. PPP can succeed only if the private sector can earn maximum profit while fulfilling govt’s objective. Their objectives are different, but their strategy can be the same.
- Contract farming is centuries’ old in the history of Nepalese farming, for example, *lapsi* farming in Dakkshin Kali; however, we do not study them. We talk about contract farming only when it is raised in the West. Therefore, we have to infer lessons from them.
- Those studying cooperatives must clearly identify the ingredients of good cooperatives.
- Whether it’s single product or service delivery cooperative, those growing from below are successful. No cooperative imposed from the top has been successful in any country of the world.
- We must protect cooperatives from elite capture.

- The anomalies in cooperatives have originated from savings and credit cooperatives. If a separate act were formulated for savings and credit, production and consumer cooperatives, it might help. There is a problem of regulation in savings and credit cooperatives; the existing structure and capacity are inadequate for regulating them; may be we need to establish a second tier. The production, consumer and service delivery cooperatives need support. Enactment of separate acts would help make them pro-poor.
- Farmers need land whether for farming, livestock farming or horticulture. Those with land are not living in villages, but in cities; those with land are not able to till them; land is being fragmented into small parcels. Farming cannot bring about decent life; so, many are disillusioned by it. On the one hand, agricultural mechanization has not taken place and on the other there is a scarcity of labour whether in the Terai or in the hills. How to provide land to the landless? Let's envisage a land bank that doesn't encroach upon land but takes land on contract, gives land from that land to the landless through the cooperative.

After researchers' response, Chairperson Dr Mahesh Banskota gave his observations on the paper. He began by saying that we must be conceptually clear and more precisely identify who are the poor, the ultra-poor, the food poor and the land poor. Dr Banskota pointed out that we are not trying to dilute the objectives of the public sector by joining hands with the private sector. Because of the absence of the concept of public good in the private sector, we were only trying to introduce the quality of the public good in the private sector. Similarly, due to the low efficiency of the private sector in the public sector, we are trying to introduce the concept of efficiency in the public sector. If we are not able to do it, partnership will not take place and we will only be compromising on the inferior position of both: efficiency of the public sector and quality of public good. Private sector doesn't look into environmental sustainability, but when the public sector comes in the scene, it introduces environmental sustainability; similarly, equity, which is a concept of the public good. He identified lack of coordination in the agriculture sector as the major problem, even when there was no PPP and also, historically, in Nepal's total development. If the same problem of lack of coordination persists in the PPP, we will not be solving the basic problems. Reminding the audience that at a time when the government budget was decreasing, the agriculture sector had performed exceptionally well, he noted that the agro-enterprises had recorded fantastic growth rates. Public sector has been providing services, roads, marketing, whereas the private sector is producing goods and introducing enterprises. We will have to identify the enterprises that brought about the basic changes. He noted that agro-enterprises are the ones that had brought together the industry and agriculture.

LAST SESSION

The last session began with a recapitulation of the day by Dr Mohan M Sainju.

Dr Sainju began his observation by saying that employment was critical to raising the status of the poor, whether the youth, women, marginalized populations, or the landless. The poor should be empowered through social mobilization and development of their skills. He noted that policies were scattered and there was a lack of a composite policy. Women, youth, marginalized populations and the landless are seen as distinct categories, but the problems of the women

within these groups are also the problems of women as a whole; we cannot see women in isolation, but in a multidisciplinary and multi-characteristic way. He suggested that we should identify the critical issues in each segment and prioritize them, rather than demanding that everything have everything.

He put forth his opinion that, without fulfilling our obligation towards the poor and marginal farmers, we cannot change the overall agricultural scene. So, first and foremost, targeting must be done if we are to move ahead with pro-poor policy. Once it is targeted, it can be monitored and evaluated in the future. Similarly, agricultural research and extension should be more oriented towards poor farmers.

Noting that the third thematic area was relatively new, Dr Sainju said that, we could enhance the potentiality of the PPP by identifying the areas of interest common to both public and private sectors. Referring to the stupendous success of Amul in India, the mechanism for which was cooperative, he said that, rather than cooperative as such benefitting the poor, it was a kind of legal instrument and framework, which, if properly utilized, could organize the poor. It creates an opportunity for the poor to play a decisive role in their economic and social development by contributing even a minimal amount. However, there is a need for community organization before a cooperative movement in Nepal. He suggested that the cooperative framework could be very useful for the thousands of community organizations in Nepal that do not have legal entity and legal status.

Dr Sainju then suggested that we must study the implementation of the pro-poor policies that are already there and review their strengths and weaknesses. Referring to the ongoing political transition in Nepal, he reminded the audience that the flow of change currently ongoing in Nepal was expecting a new dimension and thought. We should be able to think based not only on our past experiences but by keeping in mind the new context and new experiences.

Stressing that when communities are involved in the programme, they tend to be more reflective of the needs and aspirations of the people, cost-effective and sustainable in the long run, he strongly suggested that we should adopt such models. One single model may not work in the whole of Nepal, but if the community is involved by partnering with the private or public sector, it would achieve the objectives. Our model must encourage communities, local initiatives and local participation. He equally underlined the importance of organizing the poor as another factor.

Dr Sainju wrapped up his recapitulation by noting that, in all three themes, one common word used was targeting, which is the first requirement. Said he: "It is not enough to say whether a policy is pro-poor or not, but whether it has identified the target accordingly or not."

After Dr Sainju's recapitulation, Dr Purushottam Mainali gave his concluding remarks. Expressing his opinion that the country's efforts to meet the demand for food through imports had significant impact on the economy, he expressed his fear that if we were unable to make our agriculture competitive with those of our neighbours, the agriculture sector could collapse in the future. He added that we must make our agriculture competitive and increase production and productivity, and provide necessary services and support, including infrastructure, and in terms

of technology. He noted that the current level of investment in agriculture was not adequate and must be increased.

Emphasizing that it was important to translate the policy into actions, he said that the policies be simple and specific to the target group and intervention areas to be translated into action. Furthermore, after the completion of the process of policy formulation phase, country-specific action plans must be formulated by all concerned, including donors, so that we were not confined to policies and strategies and move towards action plan for their implementation and so that we are clear of the approach we should adopt. So

Dr Mainali's concluded his remarks with the hope that the present study would help the MoAC to streamline the sector to the extent possible, and reorient this sector in a more productive manner.

Dr Mainali's concluding remarks was followed by that of Dr Hari K Upadhyaya. Observing that the workshop had been successful, Dr Upadhyaya put forth his suggestion that the policy report should be such that the government could readily take it up and get down to policy formulation. He expressed FAO's readiness to provide support at the formulation and implementation stages, as well as for policy dialogue within the country and in the region and for dissemination and sharing of results. Sharing the next phase of the programme, Dr Upadhyaya said that the FAO was trying to establish a regional-level policy network so that there was an institution for policy advocacy at regional level and to address the issue of dissemination and sharing of results in a bigger way. He further shared that technical backstopping would be provided from both within and outside the country for policy formulation and implementation.

The workshop came to an end with a Vote of Thanks delivered by Dr Khim Kabi Sharma, Acting Executive Director of IIDS.

National Workshop on Pro-Poor Policy Formulation, Dialogue and Implementation at the Country Level

22 April 2009, Wednesday

Hotel De'l Annapurna, Kathmandu, Nepal

List of Participants

MoAC/GON:

S.N.	Name	Designation	Organisation
1.	Mr. Shankar Prasad Pandey	Secretary	Ministry of Agriculture and Cooperatives (MOAC)
2.	Dr. Purushottam Mainali	Joint Secretary	MOAC
3.	Mr. Tek Bahadur Thapa	Retired Secretary	MOAC
4.	Dr. Siddhi Ganesh Shrestha	Joint Secretary	MOAC
5.	Mr. Suresh Kumar Verma	Acting Secretary	Trust Fund/GoN
6.	Dr. Dhan R. Ratala	Joint Secretary	MOAC
7.	Dr. Hari Dahal	Joint Secretary	MOAC
8.	Mr. Bishnu Dutt Awasthi	Senior Agri. Economist	MOAC
9.	Mr. Nageshwar Nayak	Agri. Officer	MOAC
10.	Mr. Mandip Rai	Agri. Economist	MOAC
11.	Mr. Hari Babu Tiwari	Agri. Economist	MOAC
12.	Mr. N.B. Rajwar	Deputy Director General, Planning	Dept of Livestock (DLS)
13.	Mr. Khyam Sharma Paudel	Chief	Agri. Information and Communication Centre
14.	Mr. Anup Sharma Paudel		AICC
15.	Mr. Durga Prasad Adhakari		SEAN
16.	Mr. Bishnu Prasad Aryal		Department of Agriculture (DOA)
17.	Mr. Binay Kumar Singh		NSC
18.	Mr. S. N. Mandal	Deputy Director General	Department of Agriculture (DOA)
19.	Mr. G. K. Nirala	Deputy Registrar	Department of Cooperatives (DLS)
20.	Mr. Uttam Kumar Bhattarai	Director General	Department of Food Technology & control
21.	Dr Rewati Man Shrestha	Project Manager	CLDP
22.	Dr. Krishna Pd. Pant	Sr. Program Officer	NARDF
23.	Mr Ajab Lal Yadav	General Manager	Dairy Development Corporation

24.	Mr. Tulsi Gautam	Executive Director	Kalimati Fruit & Vegetable Wholesale Market Development Committee
25.	Mr. Sewak Nepali		Lalitpur DP/TD

National Planning Commission (NPC):

26.	Honourable Mr. Ratneshwor Lal Kayastha	Member	National Planning Commission (NPC)
27.	Mr. Biju K. Shrestha	Program Director	Agriculture, Forestry and Land Reform Section, NPC

Other Ministries:

28.	Mr. Bam Prasad Thapa		DOLIDAR , MoLD
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Private Sector:

29.	Mr. Shreedhar Karki	Chairman	FAN (Floriculture Association of Nepal)
30.	Mr. Durga Pd. Dahal	Chairman	Seed Entrepreneur Association Nepal (SEAN)

FAO/IFAD:

31.	Dr. Hari Krishna Upadhaya	Policy Facilitator	FAO/RAP
32.	Ms. Bui Thi Lan	Representative	FAO Nepal
33.	Mr. Laxman Gautam	Assistant FAO Representative (Programme)	FAO Nepal
34.	Mr. Shrawan Kumar Adhikari	Program Officer	FAO Nepal

Pro-Poor Team Members:

35.	Mr. Asheshwar Jha	Consultant	IIDS
36.	Dr. Ram Pratap Sah	Consultant	IIDS
37.	Dr. Ava Darshan Shrestha	Executive Board Member	SAMANATA
38.	Dr. Govinda P. Koirala	Consultant	SAMANATA
39.	Dr. Birendra Bir Basnyat	Member Secretary	CPAD
40.	Dr. Devendra Chapagain	Consultant	CPAD

Steering Committee members:

41.	Mr. Shreekrishna Upadhaya	Executive Director	SAPPROS
42.	Mr. Bharat Prasad Upadhaya	Executive Director	CEAPRED

Gender:

43.	Dr. Meena Acharya,	Chairperson	SAHAVAGI
44.	Ms. Shova Basnet	Program Officer	SAMANATA
45.	Ms. Saloni Singh	President	Didi Bahini
46.	Ms. Shova Shrestha	Program Officer	SAP/Nepal

IIDS:

47.	Dr. Mohan Man Sainju	Chairman	IIDS
48.	Dr. Khim Kabi Sharma	Act. Executive Director	IIDS
49.	Mr. Shankar Aryal	Research Fellow	IIDS
50.	Mr. Anil Shrestha	Editor	IIDS
51.	Mr. Devendra Shrestha	Admin/Finance Officer	IIDS

Expert:

52.	Dr. Posh Raj Pandey	Chairman	SAWTEE
53.	Dr. Mahesh Basnskota	Dean	School of Arts, KU
54.	Mr. Shyam Upadhaya	Economist	Freelance Consultant

CPAD:

55.	Dr. Mohan Prasad Wagley		CPAD, Kathmandu
56.	Mr. Amrit Man Shrestha		CPAD, Kathmandu
57.	Mr. Amir Poudel		CPAD, Kathmandu

Media:

58.	Mr. Krishna Adhikari	Journalist	National News Agency (RSS)
59.	Mr. Sailesh Sharma	Journalist	Mulyankan
60.	Mr. Prabin Pathak	Journalist	Metro Post/Road Map Weekly

61.	Mr. Janau Tiwari	Journalist	Chintan Weekly
62.	Ms. Bipana Upadhaya	Journalist	Image Channel
63.	Ms. Rasila Shrestha	Journalist	ABC TV
64.	Mr. Arjun Shrestha	Journalist	ABC TV