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Enabling poor rural people
to overcome poverty

Government of Nepal

Kisan Kalagi Biu-Bijan Karyakram (Improved Seeds for Farmers Programme)

Addendum

Executive Board — 106th Session
Rome, 20-21 September 2012

For: **Approval**

Kisan Kalagi Biu-Bijan Karyakram (Improved Seeds for Farmers Programme)

Addendum

The attention of the Executive Board is drawn to the following addenda and modifications to the President's report on Kisan Kalagi Biu-Bijan Karyakram (Improved Seeds for Farmers Programme) (EB 2012/106/R.21). For ease of reference, the changes to the text of the report are shown in boldface.

The title of the programme should be changed, throughout the report, from Kisan Kalagi Biu-Bijan Karyakram to "**Kisankalagi Unnat Biu-Bijan Karyakram**".

Page iv, Financing summary

Total programme cost:	US\$ 59.7 million
Cofinancier(s):	Heifer International US\$2.5 million
Contribution of borrower:	US\$ 7.3 million
Contribution of beneficiaries:	US\$ 10.9 million

Page 3, paragraph 13

The paragraph should read:

"An anticipated **7,200** households, organized in 720 groups and involving up to 13 private seed company operations, will participate in the production of approximately 760 tons of TL paddy, 830 tons of TL maize, 1,660 tons of TL wheat and 500 tons of a range of TL vegetable seeds. This is expected to generate overall net margins worth US\$3.15 million for the seed groups and US\$2.9 million for the seed companies. Improved TL seed production will be sufficient for the sowing of some **15,000** ha of paddy, **41,000** ha of maize, **14,000** ha of wheat and 65,000 ha of vegetables in the agroecological hill areas."

Page 3, paragraph 16

The third and fourth sentences should read:

"Under the goat subcomponent, the programme will support the establishment of **26** goat collection hubs/livestock markets. During the programme period, **57** butchereries will be improved."

Page 5, paragraphs 19 and 22

The term "programme coordination and management unit (PCMU)" should be changed to "**programme management office (PMO)**". Similarly, all references to PCMU should be changed to **PMO**.

Pages 6, paragraph 28

The paragraph should read:

"Total investment and incremental recurrent programme costs, including physical and price contingencies, are estimated at about **US\$59.7 million**. Funds allocated to programme coordination and management total **US\$5.2 million** and represent about **8.7** per cent of the total programme costs. The expansion of the formal seed sector accounts for **US\$23.3 million (39 per cent)**, smallholder livestock commercialization **US\$20.5 million (34.3 per cent)**, and local institutional and entrepreneurial development a further **US\$10.7 million (17.9 per cent)**. Physical contingencies make up around 3 per cent of the total programme costs. The foreign exchange component is estimated at **US\$19.6 million**, or approximately 32 per cent of the total programme costs. Taxes amount to approximately **US\$6.8 million (see table below).**"

Nepal

Kisankalgi Unnat Biu-Bijan Karyakram

Programme components by year - Base costs

	Base costs (US\$ '000)							Total
	2013	2014	2015	2016	2017	2018	2019	
1. Support to expansion of formal seed sector	2 792.6	5 590.9	5 772.3	6 170.8	790.3	483.7	164.5	21 765.0
2. Smallholder livestock commercialization	1 384.2	3 544.0	3 136.7	2 649.7	2 936.8	1 899.1	1 098.6	16 649.1
3. Local institutional and entrepreneurial development	1 134.1	1 386.5	1 499.6	1 603.4	1 282.6	1 348.8	1 477.0	9 732.0
4. Programme coordination and management	1 245.7	635.5	590.6	655.6	595.2	503.8	502.4	4 728.7
Total baseline costs	6 556.6	11 156.9	10 999.2	11 079.5	5 604.9	4 235.4	3 242.5	52 874.9
Physical contingencies	229.3	324.3	277.5	254.8	200.0	124.9	65.4	1 476.2
Price contingencies								
Inflation								
Local	215.1	628.9	817.1	999.5	948.2	679.0	411.5	4 699.3
Foreign	34.6	90.8	113.7	141.7	145.7	110.1	64.3	701.1
Subtotal inflation	249.7	719.7	930.8	1 141.2	1 094.0	789.2	475.8	5 400.4
Devaluation	-	-	-	-	-	-	-	-
Subtotal price contingencies	249.7	719.7	930.8	1 141.2	1 094.0	789.2	475.8	5 400.4
Total programme costs	7 035.5	12 201.0	12 207.4	12 475.5	6 898.9	5 149.5	3 783.7	59 751.5
Taxes	678.7	1 393.9	1 437.5	1 490.6	793.3	588.4	423.2	6 805.6
Foreign exchange	2 466.3	4 130.7	4 046.5	4 138.4	2 077.0	1 575.8	1 144.1	19 578.8

Pages 6, paragraph 29

The paragraph should read:

"An IFAD loan and an IFAD grant, both of US\$19.5 million (each **32.6** per cent of the total programme costs), will together finance: **67** per cent of the support to expansion of formal seed sector component (each **US\$7.8 million**); **65.6** per cent of the smallholder livestock commercialization component (each **US\$6.7 million**); **51.2** per cent of the local institutional and entrepreneurial development component (each **US\$2.7 million**); and **85** per cent of programme management (each **US\$2.2 million**). The Government contribution is estimated at **US\$7.3 million (12.2 per cent of the total)** and includes contributions from its budget and from forgone taxes and duties. Beneficiaries will provide approximately **US\$10.9 million**, or **18.3** per cent of the total programme costs and Heifer International will contribute with **US\$2.5 million to the smallholder livestock commercialization component (4.2 per cent of total programme costs).**"

Page 7, Financing table should read as follows:

Nepal

Kisankalgi Unnat Biu-Bijan Karyakram

Components by financier

	(US\$ '000)											
	IFAD loan		IFAD grant		The Government		Beneficiaries		Heifer International		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Support to expansion of formal seed sector	7 814.9	33.5	7 814.9	33.5	2 805.1	12.0	4 887.8	21.0	-	-	23 322.7	39.0
2. Smallholder livestock commercialization	6 726.0	32.8	6 726.0	32.8	2 435.9	11.9	2 106.2	10.3	2 500.0	12.2	20 494.2	34.3
3. Local institutional and entrepreneurial development	2 743.9	25.6	2 743.9	25.6	1 268.6	11.8	3 951.0	36.9	-	-	10 707.4	17.9
4. Programme coordination and management	2 216.1	42.4	2 216.1	42.4	794.9	15.2	-	-	-	-	5 227.1	8.7
Total programme costs	19 500.9	32.6	19 500.9	32.6	7 304.5	12.2	10 945.1	18.3	2 500.0	4.2	59 751.5	100.0