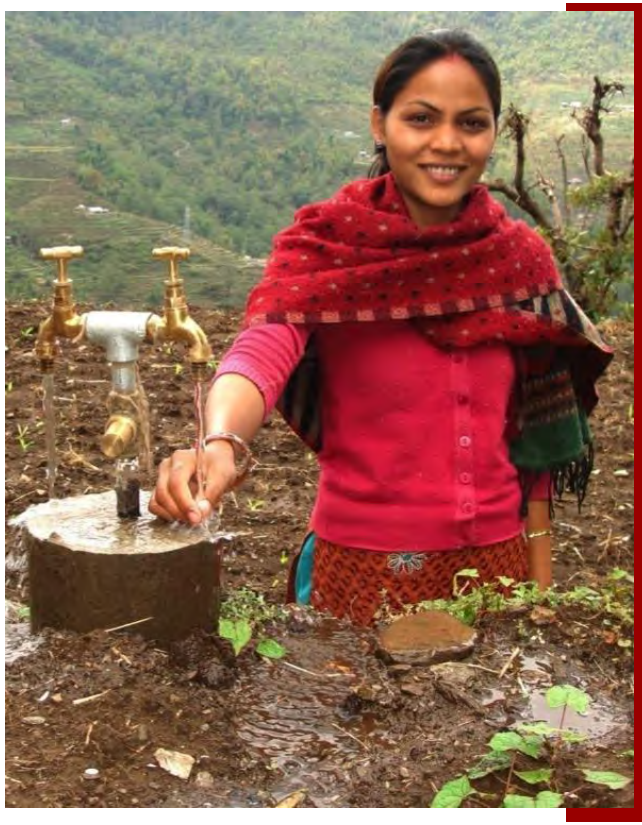

Importance of Linking MUS with Agricultural Development: The Nepal Experience

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INTERNATIONAL MUS WORKSHOP
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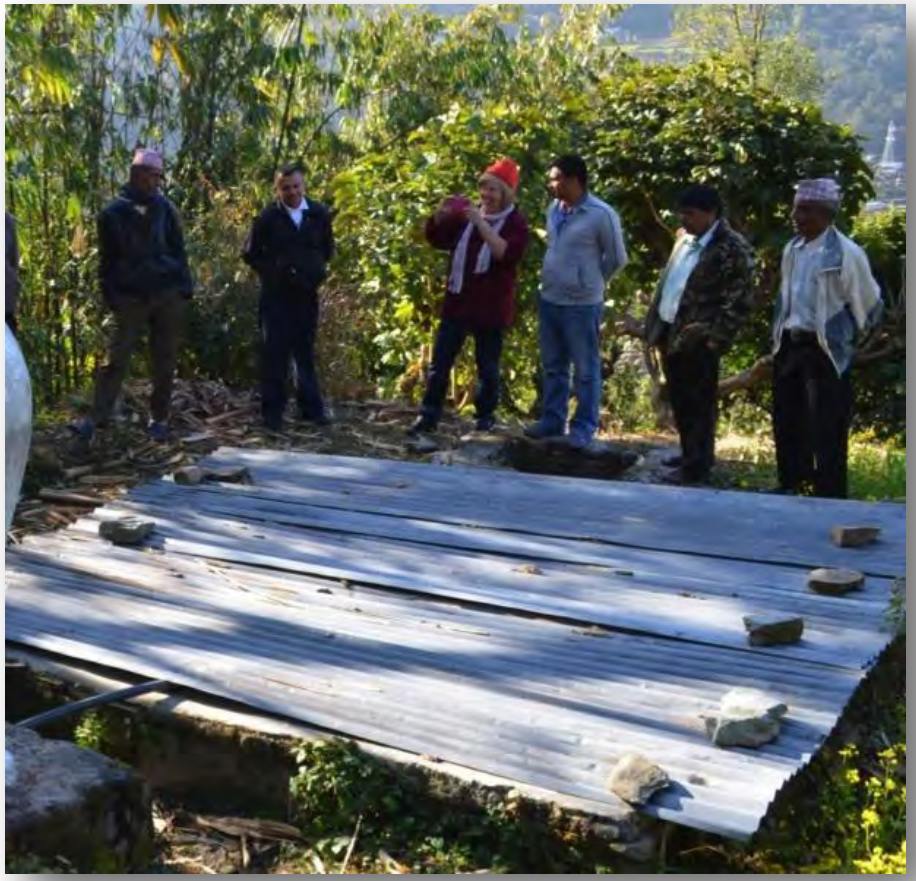
Presentation Overview

- Smallholder Commercialization Context – Weak Markets
- Synergy with the Commercial Pocket Approach
- Climate Change Adaptation
- MUS sustainability, reaching scale, ways forward



MUS site in Lumle, Kaski District

Smallholder Commercialization

- iDE's primary mission is to increase the incomes of smallholder farmers
- Most cost effective is developing supply chains for technologies that increase income (drip example)
- In Nepal we need enabling interventions for market and water access (MUS!)

Weak Markets

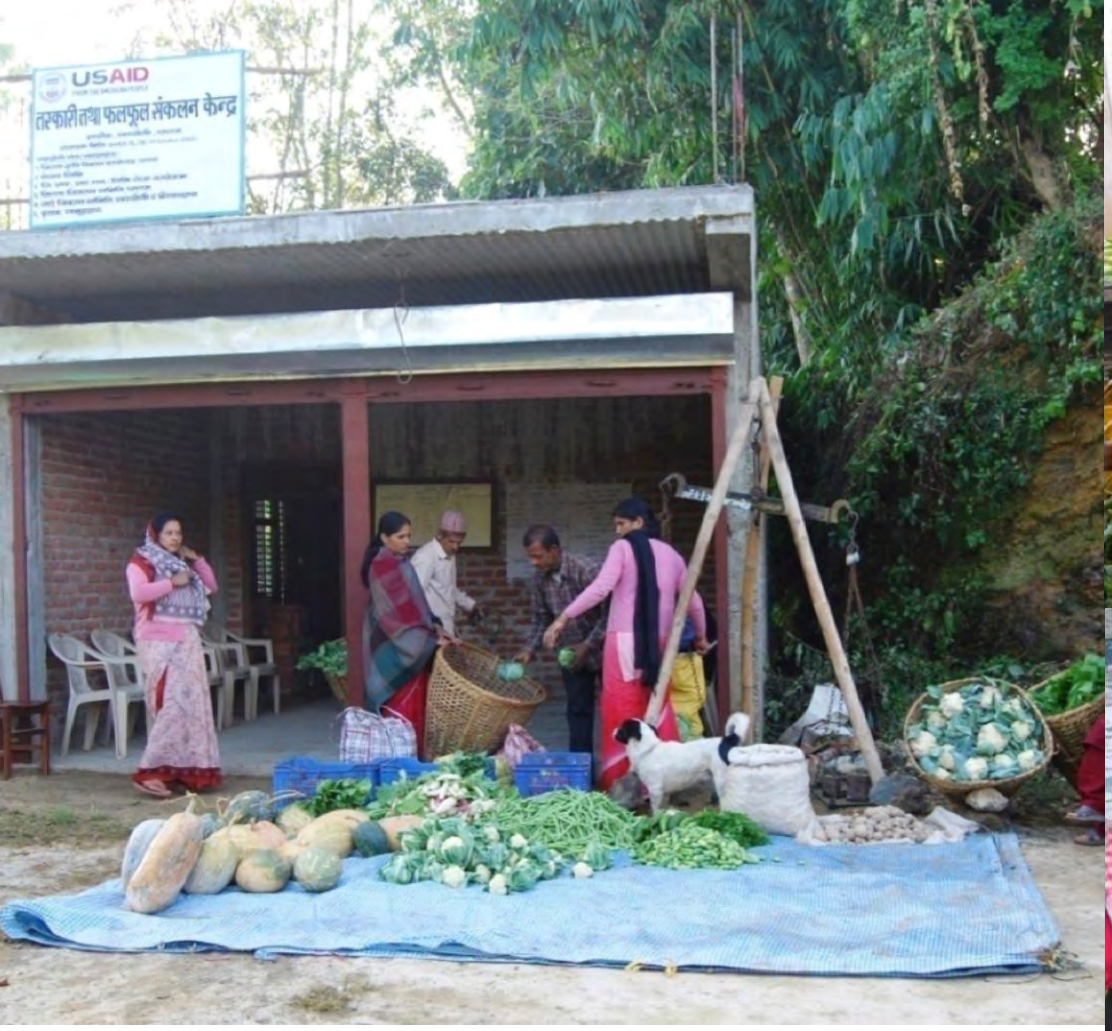
- Nepal agriculture is highly subsistence: only 13% of agricultural produce is marketed
- Private sector present mostly in district capitals
- Most private companies in agriculture are small, lack technical capacity, and function as distributors of imported inputs
- Nepal has good markets, but there is a basic market failure constraining private investment:
  - **Free rider problem**: if company A organizes and trains smallholders, companies B,C,D reap the returns

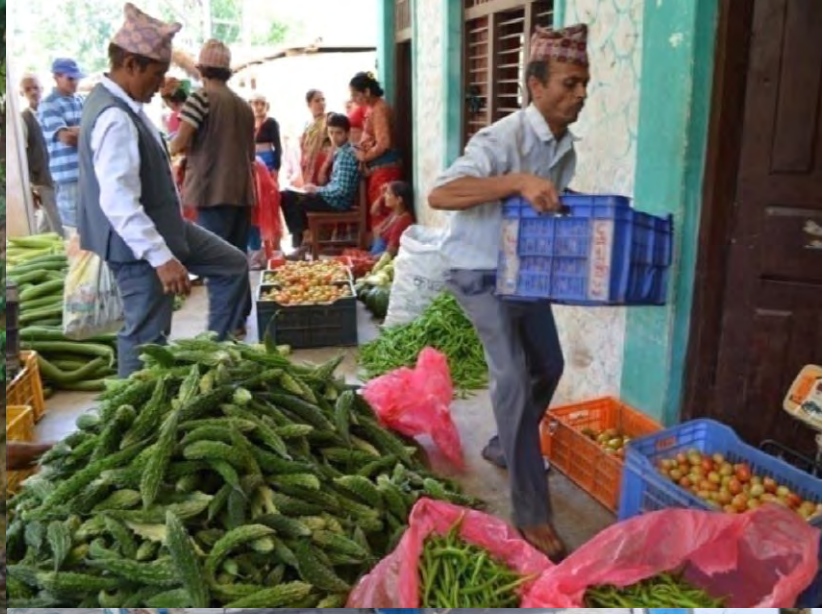
Commercial Pocket Approach

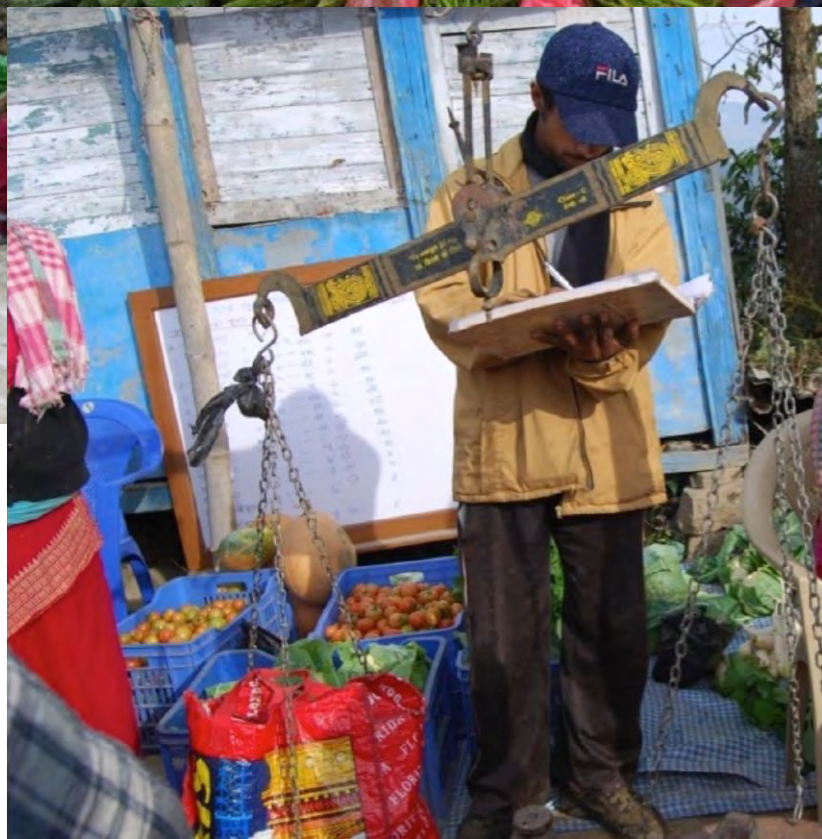
- iDE approach to commercializing smallholder agriculture developed over 10+ years with support primarily from USAID, UKAID, and the EU
- Key features include creating sufficient volume of production in a rural community to establish:
  - A community managed collection center for market access and services
  - Local private sector, marketing inputs and equipment, and providing embedded training
- iDE has developed over 200 commercial pockets serving over 150,000 HHs. The approach is mainstreamed with GoN / Donors and expanding.

Collection Centers (CC)

- 100 to 1,000 HHs, organized in groups of 20
- Elect a Marketing and Planning Committee (MPC)
- MPC selects an entrepreneur to manage the CC
- Over time, many CCs become cooperatives
- Services include marketing, detailed crop calendars, technical support, inputs, credit, linkage to government services, advocacy…
- Cross cutting benefits: women's empowerment, inclusion, governance
- PPP – government (infrastructure), development programs (social mobilization/software), and private sector (technologies/markets)



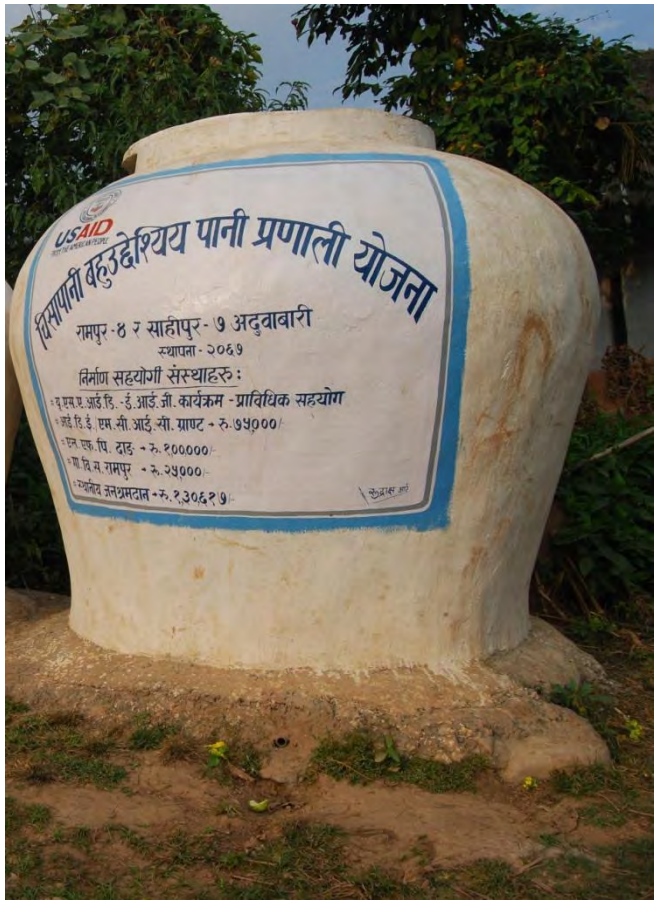




Collection Centers!

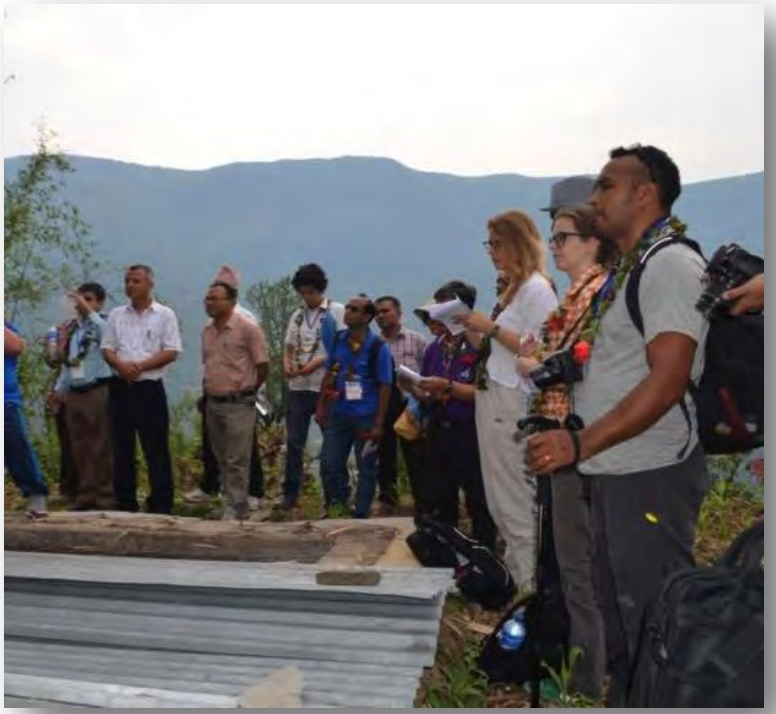
Collection Center (CC) MUS Synergies

- MUS enable volume and production in the dry season that make CC more profitable Household-level technologies
- MUS enable Adoption Technologies:
  - Drip irrigation
  - Greenhouses
  - IPM bio-agents…
- Collection Centers can play a key role to identify, organize, and manage MUS, especially critical for Solar and Hydram Lift MUS



Community-Based Adaption (CBA)

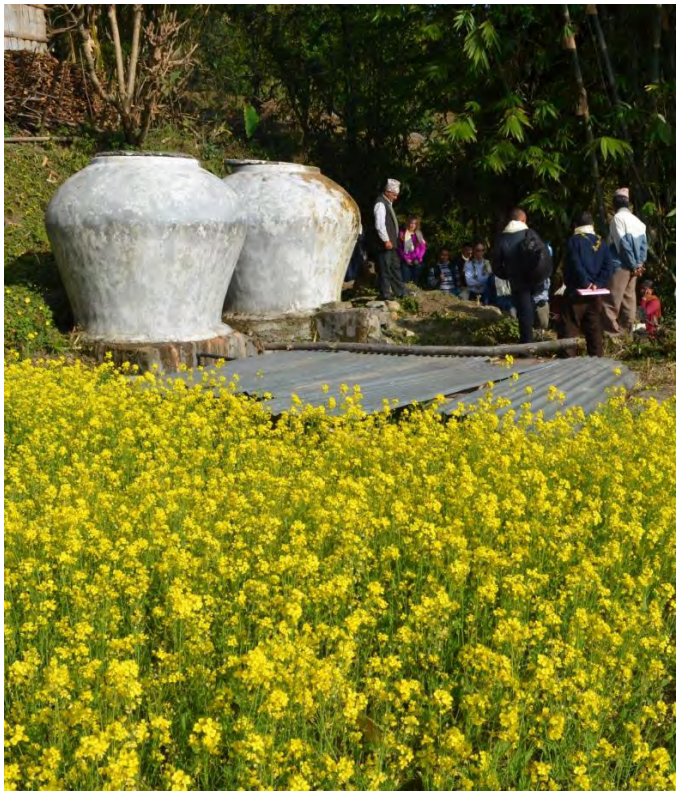
- MUS is a tool for management of scarce water resources
- Farmer organization around collection center is critical for:
  - Developing to prioritize CBA investments
  - Assessing climate change impacts and bringing solutions
  - Facilitating/providing access to finance and insurance



CBA8 delegates visit a MUS in 2014

MUS sustainability, reaching scale, ways forward

- Challenge is the institutional separation of drinking water and productive use
- Mixed public-private finance models
- Working with IWMI, FMIST, Renewable World for analysis, strategies to scale and institutionalize MUS
- IWMI study (Clement 2015) showed about 85% of MUS functional after 7-10 years vs. less than standard 50% .
- Study showed a B-C ratio of 11 to 1 from agricultural income

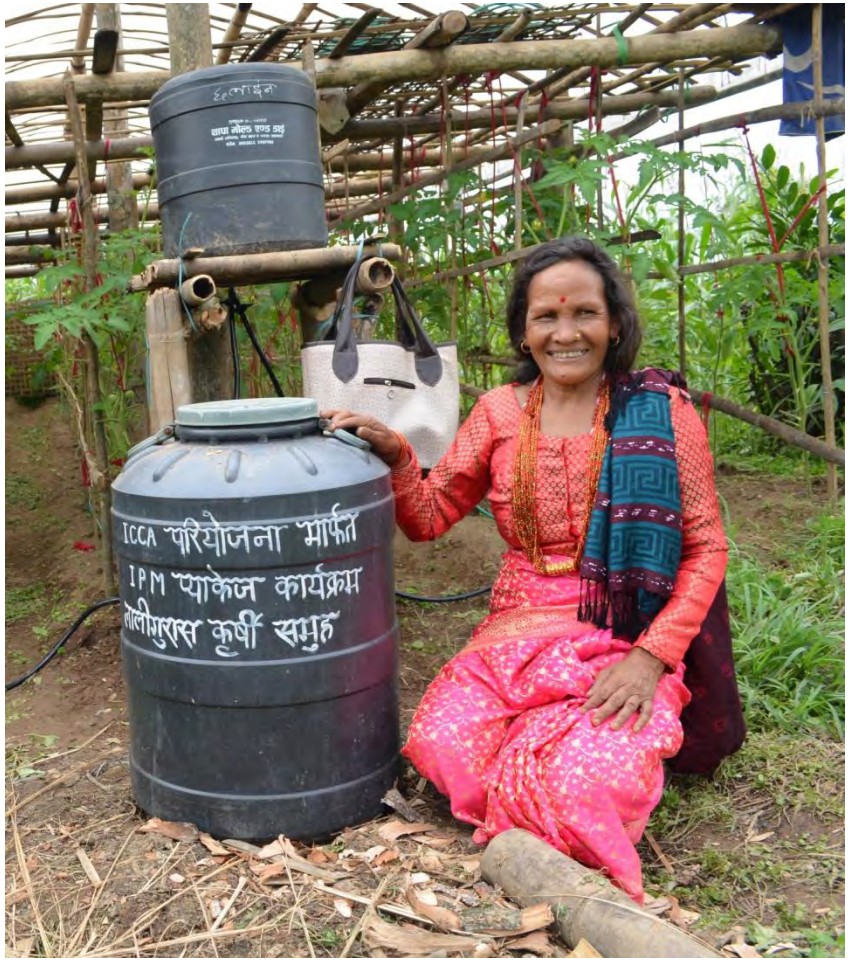


MUS sustainability, reaching scale, ways forward

- USAID PAHAL Project and UKAID Anukulan- BRACED are supporting to increase the incomes of 300,000 HHs and develop over 400 MUS
- Working to develop MUS, Collection Center, and Stakeholder Networks to articulate and advocate for the MUS approach

For more information:
www.idenepal.org

Thank You!



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UKaid from the British people

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Photos by Bimala Rai Colavito, iDE Volunteer