

DeveloPPP Project Proposal

Municipality Participation

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Key Points

- Objective
- Operating Model
- Why PPP?
- Expected Outcome
- Partners & Responsibilities
- Next Steps

Objective

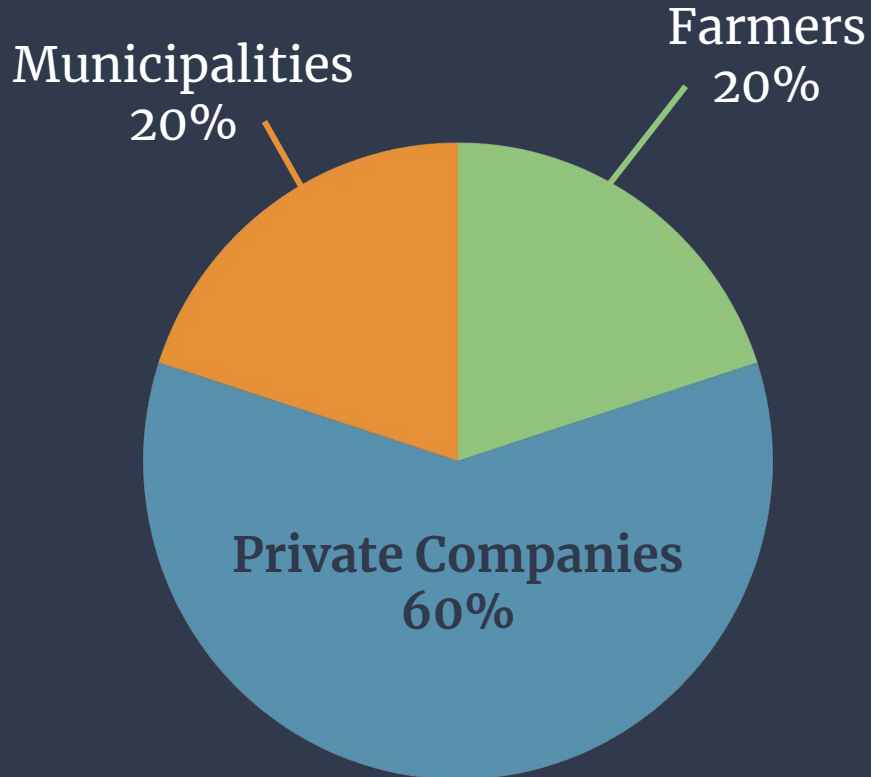
Problem

- More than 80 percent of Nepal's people live in rural areas and depend on subsistence farming for food with no income generation
- Fragmented fertile land, cost of inputs, and limited infrastructure has built a barrier for market entry by rural farmers

Solution

- Land-pooling efforts in cooperative model
- Supply organic inputs and purchase harvests wholesale - transition from subsistence to commercial
- Provide farmers wage increase of \$1 per day and create facility jobs

Operating Model – PPP



First 2-3 Years

- Private companies manages operations
- Private companies purchase crops wholesale & manages operations
- Products are sold in local & international markets

3+ Years

- Municipalities will lease equipment to private companies in buyback program
- Cooperative will be managed by a democratically elected Executive Board

Why PPP?

Public Private Partnership (PPP) provides best-fit model for all parties involved.

- Fragmented, subsistence production
- Substantial capital needed for transition to commercial/export farming (turmeric)
- Leader/Primary investor(s) needed to fund initial costs and manage operations
- Infrastructure needed for access to markets from rural regions

Expected Outcome

Wage Increase: increase farmer wages by \$1 per day

Job Creation: created in processing facilities & on pooled farmland

Municipalities Involved: target membership growth rate of 5 percent

Kilograms Harvested: partner with farmers to measure expected yield per ropani

Partners & Responsibilities

Farmers:

Provide labor on the farms and in the processing facilities. Elected members serve as executive board members to the cooperative for democratic decision making.

Private Companies:

Act as leading company to provide initial investment for processing, packaging, and delivery (export).

Municipalities:

Primary responsibilities include: land pooling & preparation, manage full harvest cycles (cultivation, planting).

Owner(s) of new processing facility in Pyuthan

Next Steps

Municipality Assistance:

- Spread awareness of land-pooling and cooperative membership benefits
- Recruit cooperative members to work in the new processing facility

Volunteer Nepal National Group (VolNepal): local non-profit, helps facilitate entrepreneurial ventures in rural Nepal

- Assist with funding opportunities and grant applications
- Continue to aid networking and partnership relations with local producers and investors

Questions?