BACKGROUND:

Heifer International Nepal’s flagship project “Strengthening Smallholder Enterprises of Livestock Value Chain for Poverty Reduction and Economic Growth in Nepal (SLVC I)” recently completed its operation in 30 districts of Nepal. The five-year project was able to add 164,108 heads/year of saleable goats and 38,060 liters/day of milk into the market system. The project increased average annual income of smallholder farmers by 74%. A total of 197 farmers owned agribusinesses (cooperatives) were created, bringing 100,000 rural families together, thereby creating a conducive environment for these entities to profitably participate in the pro-poor wealth creating value chain.

“Strengthening Smallholder Enterprises of Livestock Value Chain for Poverty Reduction and Economic Growth in Nepal II (SLVC II)” capitalizes the gains made by SLVC I and demonstrates the synergistic relationship between social capital development and market engagement envisioned by Heifer. The project contributes towards achievement of 7 out of 17 Sustainable Development Goals - No Poverty, Zero Hunger, Gender Equality, Decent Work and Economic Growth, Climate Action, Peace, Justice and Strong Institutions, and Partnership for the Goals.

PROJECT OVERVIEW:

SLVC II project focuses in meat goat and diary value chain, connecting smallholder producers to consumers. It aims to bring goat meat and milk/milk products from farm gate to plate in an efficient manner. This project works with Smallholder Farmers’ Organizations and Value Chain actors to improve market systems, primarily in meat goat and dairy value chains along with vegetable and backyard poultry. It intends to scale up enterprises of the participating farmers. The new technology introduced, along with increased access to other business development services (finance, market, input supply, technical services and insurance etc.) will increase productivity, efficiency and thereby increase farm profitability. The project will build capacity, facilitate relationships among the value chain actors. The project will prototype new technologies and scale as appropriate, and facilitate public-private-producer partnership (PPPP).
PROJECT COMPONENTS:

1. **Mainstream Activities**: Mainstream activities are aimed at strengthening cooperatives. The project supports 170 cooperatives to become financially viable and sustainable entities. These are empowered to act as Lead Firms having forward and backward linkages with Micro, Small, and Medium Enterprises (MSMEs) owned by its members (production, transport, agro-vet services, trading, etc.). The project adopts following strategies:

   - Strengthen institutional, governance and financial management capacity of the rural women cooperatives.
   - Enhance capacity of producer groups to link with appropriate market/buyer and ensure a fair price.
   - Increase the ability to provision business development services (BDS) to its member MSMEs.
   - Create improved enabling environment.

2. **Prototypes**: The prototypes are targeted at overcoming the bottlenecks in the market system with outcomes at two levels – i. Increased profitability in MSMEs owned by smallholders, and ii. systemic improvement in the industry. Some prototypes include but are not solely limited to are:

   - Agri-business Innovation Centers, abattoir development, value chain financing, and Farmer Business Schools.

**EXPECTED RESULTS:**

Result 1: Smallholder farmer’s organizations strengthened.

Result 2: Demand driven supply (volume, quality, consistency) in target value chains (meat goat, dairy, vegetables and backyard poultry) ensured.

Result 3: Market linkages improved.

Result 4: Value-addition in target value chains increased.

Result 5: Enabling environment for target value chains improved.