

Capacity Building for BioTrade (CBBT)

Advisory Mission Nepal (18 - 29 January 2010)

Participants: Asad Naqvi, CBTF (Team Leader)
Franziska Jerosch, GTZ HQ
Horst Ammann, GTZ Nepal
Arun Rana, GTZ Nepal
Himadri Palikhe, GTZ Nepal
Sushmita Pradhan, GTZ Nepal
O.J. Krueck, ECCOS (Consultant)

1 Objectives of the Advisory Mission

Based on the previous project team meeting in Nepal on 11 December 2009 to organize the mission and subsequent discussions with GTZ HQ and CBTF, the objectives of the advisory mission were formulated as follows:

- 1.1 Discussions with potential and identification of most suitable lead government agency for CBBT Nepal

Planned output: MoU with lead government agency

- 1.2 Discussion with and identification of suitable collaboration partners in Nepal to include organizations from private and public partner sector.

Planned output: Kick-off session with identified collaboration partners to agree on collaboration and project organization for CBBT Nepal.

- 1.3 Identification of 1 - 2 suitable products / product groups for marketing strategy for pilot bioproduct (s) from Nepal

Planned output: Shortlist of suitable products / product groups

- 1.4 Discussion and drafting of implementation plan and timeframe 2010 for CBBT Nepal

Planned output: draft version of synchronized (international and national level activities) implementation plan and timeframe 2010.

In addition to the pre-discussed objectives above, additional objectives were identified for discussion and clarification when carrying out the advisory mission,

- 1.5 Clear definition of roles and responsibilities within the project management team.

Desired output: Project management organization chart

- 1.6 Discussion of most suitable organization of administrative procedure for available GTZ funds for CBBT Nepal in 2010.

Desired output: Principal agreement between GTZ HQ and GTZ Nepal on fund allocation.

- 1.7 Screening and initial prioritization of shortlisted products / product groups on the Biofach trade fair in Nuremberg, Germany, for final selection of 1 - 2 products.

Desired output: Feedback from at least 15 importers from EU / USA on shortlisted products from Nepal as basis for decision on concrete marketing strategy for 1 - 2 products.

2 Methodology

The above listed persons participated in the advisory mission in changing group constellations in a total of 12 different meetings with consultant participating in all meetings.

All meetings were recorded in Minutes of Meetings (MoM) which form Annex 1 of the Advisory Mission report for transparent documentation and future reference.

	Organization	Name	Contact No.	Date and Time
1		CBBT team meeting		18 Jan, 3:00 - 5:00
2	ICIMOD	Dr. Michael Kollmair Dr. Giridhar Kinhal	5003141	19 Jan, 9:30-10:30
3	SAWTEE	Mr. Ratnakar Adhikari Mr. Kamalesh	4415824, 4444438	19 Jan, 11:30-12:30
4	HBTL	Ms. Saraswati Rai Mr. Khilendra	9849107471 9841501159	19 Jan, 3:00 - 4:00
5		CBBT team meeting		20 Jan, 11:00-12:30
6	MOCS	Mr. Chandra Kr. Ghimire Mr. Jib Raj Koirala Mr. Shiv Raj Bhatt	4211500	20 Jan, 3:00-4:30
7		Kick-off workshop		21 Jan, 9:30-3:00
8		Internal team meeting		22 Jan, 9:30-03:00
9	MoA	Dr. Purusottam Mainali	9851101706	27 Jan, 09.00 – 11.00
10	FNCCI	Ratish Basnet	4266918	27 Jan, 11.30 – 01.30
11	MoE	Purusottam Ghimire	9841278600	28 Jan, 11.00 – 01.00
12	NARC	Madhusudan Upadhyaya	5521615	28 Jan, 2.00 – 3.30

3 Results of the Advisory Mission

- 3.1 Previous discussions surfaced the potentially most suitable organization in Nepal to act as Lead Agency, i.e. the Ministry of Commerce and Supplies (MoCS) with its Planning and International Trade Cooperation Division (previously WTO Division) which serves as the focal point for overall WTO coordination.

The meeting with MoCS verified the earlier considerations (see Annex). In addition, the newly appointed Joint Secretary has volunteered to Chair the Project Steering Committee (PSC) of CBBT Nepal. His keen interest on behalf of his Ministry was further documented by his participation in the CBBT Nepal Kick-Off Meeting where he held the official closing remarks.

Output: CBTF drafted the MoU with MoCS. It was agreed that only one of the development partners will sign the MoU on behalf of the other development partners. It was agreed that preferably CBTF should be the signatory partner of MoCS also on behalf of GTZ. CBTF has sent the draft MoU to GTZ Coordination Team Nepal for perusal and subsequent submittal to MoCS for signing (see Annex).

To Do:

- a) GTZ Nepal to agree to MoU
- b) CBTF to submit MoU to MoCS (with formal cover letter of GTZ Nepal)
- c) CBTF to obtain approval and signature of MoCS. Plan: until 19 March

- 3.2 The meetings with potential partner organizations are jointly recorded in MoM through the advisory mission team (see Annex). The results of the meetings have led to a selection of suitable and willing collaboration partners.

The partner organizations have been invited to the CBBT Nepal kick-off meeting on 21 January 2010 to create a common understanding on the project. The participating organizations introduced their mandate in regard to biotrade / bioproducts, exchanged their prior experiences with production and export and put forward recommendations for the fruitful implementation of CBBT Nepal, especially in regard to identify and overcoming possible obstacles (TBT, NTB, other barriers).

The private sector participation in the PAG will be further enhanced when the product / product group for the pilot marketing strategy has been selected, i.e. the respective association can be invited to the PAG as well.

Output 1: The full documentation of the workshop has been prepared in a structured manner for circulation to the participants and basis for subsequent activities (see Annex Workshop Documentation and invitation letter to PSC and PAG).

Output 2: The CBBT Nepal project organization chart shows in overview the 3 objectives of the project, the respective target groups and the collaboration partners which have already agreed to support CBBT Nepal (see Annex).

To Do:

- a) After perusal from GTZ HQ the workshop documentation will be submitted to PSC and PAG members. The invitation letter has been drafted already for (a) members of the PSC and (b) members of the PAG. CBBT Nepal to circulate workshop documentation with invitation letters for PSC or PAG members.
- b) Project team to agree on date for next PSC / PAG meeting to agree on next activities

- 3.3 The meetings with resources persons during the advisory mission partly verified earlier studies and results and also led to additional information on suitable bioproducts under the definition and selection criteria of CBBT Nepal.

Output 1: Previous studies and the results of the bilateral meetings during the mission were discussed during the kick-off meeting with all members of the PAG to generate a shortlist of 6 products with high potential in combination with fulfilling the prescribed criteria (see workshop documentation). For the 6 shortlisted products, 3 groups of criteria were discussed, verified and agreed upon by the PAG as basis for further verification from the demand side.

Output 2: The shortlisted products were further explored through identifying the botanical name and through market screening during the Biofach Trade Fair in Nuremberg, Germany. The initial results of questionnaires from 19 relevant importers / companies from EU and the U.S. proved somewhat mixed: while Nepalese bioproducts seem to be highly interesting for the market, all interviewed firms agreed that Nepalese producers and importers have generated poor prior experiences in regard to the reliability of qualities and quantities of bioproducts. The product group recommended by the majority of importers / companies with a high potential is essential oils.

The market screening also showed that the involved cost for novel foods seems to be prohibitive for the CBBT Nepal project also in the medium-term future and therefore verifies the result of the kick-off workshop to focus initially on non-food products from Nepal. Unless, a suitable product is being identified which justifies the related cost for an importer.

To Do:

- (a) ECCOS to inform PSC and PAG about the initial results of the market screening for shortlisted products and obtain agreement on suggested products
- (b) ECCOS to suggest marketing strategy and timeframe for agreed pilot bioproduct.
- (c) CBBT Nepal to contact suitable sector and producers' associations for preparatory activities (supply side).
- (d) ECCOS to collect required information from suitable importers / companies for selected pilot bioproducts (demand side) during the InCosmetics Trade Fair in Paris, France from 13 - 15 April 2010.

- 3.4 As agreed during the kick-off workshop, the overall timeframe 2010 for CBBT Nepal as well as the concrete next activities are to be designed after the initial market screening and is to be synchronized with CBTF's international level activities in Nepal and abroad.

To Do:

- (a) ECCOS to draft the timeframe 2010 for CBBT Nepal.
- (b) CBTF to peruse draft and amend with international level activities.

- 3.5 During the advisory mission the need for a clarification of roles among the project team became apparent. Therefore, the project team discussed the roles and responsibilities of each person (see MoM internal meetings).

In that line, GTZ INCLUDE provided an extra person (Sushmita Pradhan) to support the CBBT Nepal Coordination Team from thereon.

Output: A management organization chart for CBBT Nepal was drafted to demonstrate the members of the management team, while the MoM of the team meetings summarize the current responsibilities.

To Do:

- (a) GTZ HQ to verify the draft management organization chart.

- 3.6 During the advisory mission GTZ INCLUDE and GTZ HQ discussed the administrative issue of the allocation and dissemination of the available fund for CBBT Nepal.

To Do:

GTZ HQ and GTZ INCLUDE to agree on formal procedure for disseminating available budget for CBBT Nepal for 2010.

- 3.7 The shortlisted products were screening by bioproduct specialists of ECCOS and discussed during the Biofach trade fair in Nuremberg, Germany from 17 to 19 February 2010 in personal interviews and through questionnaires distributed during the trade fair.

Output: 19 importers from EU / USA commented on shortlisted products from Nepal as basis for decision on concrete marketing strategy for 1 - 2 products. The initial result is the identification of essential oils as the most promising bioproduct group to be further explored and utilized for the marketing strategy.

To Do:

- (a) ECCOS to design and carry out professional marketing strategy (starting with demand and supply-side screening) for identified pilot bioproduct.
- (b) ECCOS to design and carry out suitable support activities for producers' and / or sector association for identified pilot bioproduct.

Annex:

- A 1 - MoM of meetings of Advisory Mission
- A 2 - Draft MoU with Lead Government Agency
- A 3 - Documentation of CBBT Nepal kick-off workshop
- A 4 - CBBT Nepal Project Organization Chart
- A 5 - CBBT Nepal Management Organization Chart