

EU-Nepal Trade-Related Assistance: Facilitating Increased Trade and Participation in Coffee and Pashmina Value Chains Project

Coffee value chain development

Sector and Enterprise Competitiveness (SEC)



Background

The special appeal of Nepalese coffee lies in its exotic origin, located outside the traditional tropical zone of the coffee belt, and represents a high-altitude, organic, community-based production of Arabica.

The project aims to build upon work done in the sector under the previous EU Nepal Trade and Private Sector Development Program (TPSD) and to further some elements of the National Coffee Sector Export Strategy (2017-2021) which was prepared by the Government of Nepal in close collaboration with the private sector and supported by ITC.

There is a clear opportunity for inclusive economic growth by developing the Nepalese coffee sector further both for export and for domestic markets. The EU has been engaged in this sector cooperation since 2014. Despite the relatively small coffee sector size, producing approximately 500 MT, the Nepali coffee sector is suitable for EU's development cooperation in Nepal through impactful pilot projects commensurate with the funds available for the present Action, since approximately 30,000 households across 43 districts, derive some income from the coffee sector.

In line with the expressed priorities of the key project partners being the National Tea and Coffee Development Board (NTCDB) and the Nepal Coffee Producers Association (NCPA), the project will have a central focus on productivity enhancement by way of capacity building of small-scale coffee producers on sustainable coffee production methods. Fitting in with a value chain approach, elements such as coffee processing and quality enhancement, voluntary certifications primarily organic, variety research and market connections, will also be covered in the project.

Results

The following results can be expected after completion of the activities:

- Reduce supply side constraints in processing and quality throughout the coffee value chain optimising quality, traceability and efficiency, and enhancing the ability to assess quality and apply to production and processing;
- Create business linkages for farmers, farmers' cooperatives and women entrepreneurial associations to expand sales in domestic and international markets, while developing sensitization materials and tools on quality requirements;
- Training and capacity building of small-scale coffee producers on sustainable practices methods.

OBJECTIVES:	Increased-Capacity throughout Nepal's coffee value chain
TIME-FRAME:	3 years
KEY ELEMENTS OF THE NEPAL COFFEE COMPONENT:	<ol style="list-style-type: none"> 1. Stakeholder consultations, identification of priority needs and action planning with partners 2. Implementation of technical support, staff training and coaching to ensure coherent value chain and product development 3. Technical skills training on production, processing, quality, marketing and management 4. Development of awareness raising materials and tools regarding key practices adapted to target audiences.
COUNTRY FOCAL POINT:	Ministry of Industry, Commerce and Supplies (MoICS), Multilateral Trade and Trade Aid Division.
COVERED ACTIVITIES	3.1, 3.2 & 3.4

ITC Expertise

- Coffee sector expertise for production, processing, quality, marketing and management.
- ITC training and advisory skills methodology at different levels of the value chain to complement existing ones.
- Participative approach with strong involvement of national institutions and stakeholders.
- Workshops: technical workshops practical, on experience based and using Training of Trainers (TOT) approach to ensure services sustainability.
- Large buyers' network within EU and connection with speciality coffee.
- Expertise of branding and packaging.
- Expertise in organic production and marketing.

ITC Coffee and value chain development focal points

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