



Value Chains for Inclusive Transformation of Agriculture (VITA)

Background & Rationale

The Value Chains for Inclusive Transformation of Agriculture (VITA) Program builds on successful models of inclusive rural growth, now being adopted across the International Fund for Agricultural Development (IFAD) country program. These models have delivered substantial impacts, increasing net farm incomes for small-scale producers by 37% compared to control groups. The program has also been recognized for its strong performance in targeting benefits to women and youth, while fostering the growth of sustainable local supply chains. VITA advances these best practices by partnering with Agriculture Development Bank Ltd (ADBL), the largest financier of agriculture in Nepal. This collaboration addresses the critical constraint of limited access to finance for agriculture. At the same time, VITA integrates climate resilience into public and private investment practices and accelerates the development of digital rural financial services. The program addresses the gap between profitable market opportunities and the low, uncertain incomes of small-scale producers in traditional farming. The key obstacles holding back progress fall into four domains:

- **Farming practices and mindset:** Limited market orientation and business skills prevent essential investment.
- **Fragmented supply chains:** Poor aggregation by farmers in marketing their products and lack of buyer competition hinder access to end markets.
- **Weak support markets:** A history of subsidies has suppressed demand for essential technical and financial services.
- **Access to finance:** The scale of investment required for profitable farming needs substantial private investment, which is currently lacking.

Objective

To enhance the livelihoods and nutrition of poor and vulnerable rural populations by making their farm enterprises more profitable, sustainable, and integrated into stronger market linkages, while improving access to good-quality rural financial services.

Program Period

June 2022- June 2028

Mainstreaming Strategy

VITA supports all four of IFAD's mainstreaming priorities, driving gender-transformative outcomes by empowering women to take leadership roles in supply chains. The program combines efficient production technologies (e.g., drip irrigation, mulching), access to credit, market opportunities, and financial/business skills, including gender-sensitive tools like GALS-lite (Gender Action Learning Systems). It promotes nutrition through GALS-lite, focusing on nutritious food and improved access to high-value foods. VITA is also youth-sensitive, collaborating with community leaders to provide better opportunities for young adults, particularly those under 25.

Target Groups

VITA primarily targets two main groups:

- **Primary Group:** This includes small-scale producers (landowners, landless, and laborers) in selected supply chains and vulnerable rural populations. The focus is on women, who make up 60% of the beneficiaries, and youth, who account for 30%. Emphasis is placed on marginalized individuals such as Dalits, Janajatis, and the landless. Vulnerable sub-groups, including young women with low nutritional status and limited resources, and married women with husbands working overseas, are also a priority.
- **Secondary Group:** This group comprises MSMEs and producer groups operating within the supported supply chains, aiming to promote broader economic growth.

Working Areas

VITA Program is implemented in 28 districts across 3 provinces.

Province 2 (Madhesh): Saptari, Siraha, Dhanusha, Bara, Mahottari, Sarlahi, Rautahat, Parsa

Province 3 (Bagmati): Chitwan, Makawanpur Sindhuli, Kavre, Dhading, Dolakha, Sindhupalchok, Nuwakot

Province 5 (Lumbini): Nawalparasi West (Parasi), Banke, Bardiya, Dang, Kapilvastu, Rupandehi, Arghakhanchi, Palpa, Pyuthan, Rolpa, Gulmi, Rukum East

Target Commodities

The program focuses on seven main value chains which are vegetables, goats, fish, cereal-seed, potato-seed, dairy, and banana. Additional agricultural commodities: Citrus Fruits, Backyard, Chicken, Coffee, Honey, and Medicinal and Aromatic Plants (MAPs).

Alignment with SDGs

VITA project aligns with 5 Sustainable Development Goals: No Poverty (1), Zero Hunger (2), Gender Equality (5), Economic Growth (8), and Climate Action (13).

Expected Outcomes

- Improved small-scale producers' capacities to run profitable farm enterprises and establish market linkages further contributing to local and national food security and reducing reliance on imported foods.
- Transformational increase in investment in the smallholder agricultural sector in supported program provinces.
- Improved access by small-scale producers and clusters' actors to productive infrastructure.

