



KOICA-GGGI CSA Project

Terai Agribusiness and Enterprise Challenge Fund (TAECF)

Project Overview

GGGI Nepal is implementing the project “Building Climate Resilience and Reintegrating Economically Displaced Workers through Climate Smart Agriculture in the Terai Flood Plain Nepal” in ten municipalities of the Dhanusha and Mahottari districts in Madhesh Province from June 2022 to December 2025.

The project aims to support widespread adoption of climate-smart agriculture (CSA) interventions to reduce vulnerability and improve food and job security, especially for women, youth and returned migrant workers. The project is funded by Korea International Cooperation Agency (KOICA) and is implemented by GGGI in partnership with Good Neighbors International (GNI) Nepal.

What is the Terai Agribusiness and Enterprise Challenge Fund (TAECF)?

The TAECS is a major component of the KOICA-GGGI CSA project. The objective of the TAECF is to support micro and small enterprises to expand and broaden their products and services, and delivery channels, particularly in the agriculture value chains. Such micro and small enterprises related to agriculture include but are not limited to agri-input suppliers, commercial farmers, collectors, processors, millers, and wholesalers/retailers (or traders).

The TAECF plans to disburse USD 1.56 million in grants over a 3-year period –USD 720,000 in 2023, USD 510,000 in 2024, and USD 328,000 in 2025. The Fund aims to attract women, youth, and returned migrant workers who are engaged or willing to engage in agriculture-related micro and small enterprises in the project districts.

Who can apply?

The applicants interested to receive the grant and technical assistance from the TAECF must comply with the following eligibility criteria:

- Be a for-profit-oriented legal entity (registered as per GoN guidelines) with a business presence (willing to work) in the project districts, Dhanusa and Mahottari.
- The Challenge Fund will be open to all eligible entities. However, priority will be given to (1) those that are registered in Dhanusa and Mahottari districts, (2) businesses headed by women, youth, and returned migrant workers (returned after 2020), and (3) the entities which are registered in other districts but also affiliated and have a presence in project districts.
- The entity must be involved in agriculture/ agro-forestry value chain business related to vegetables, rice, wheat, maize, spices, dairy, Information Communication Technology (ICT), insurance or may be associated with different segments of the value chain (inputs, production, or output level) such as focusing on inputs, processing or marketing to aforesaid sectors. Along with this, the entity must be involved or planning to be involved in expanding businesses by focusing on climate-smart interventions and green jobs.
- A minimum of two years of operations for the small business category, while experience is not required for micro businesses. New innovative ideas for agriculture value chain businesses (both micro and small) are also welcome.
- Applicants must be able to create job opportunities (part/full-time employment) for the applied project period.

Note: In case of a joint venture between 2 or more entities, at least one of the parties must comply with the above requirements.



How does the TAECF work?

The Fund provides matching grants through a competitive bidding process where the best applicants are selected. Grants are targeted toward new ideas, products, business models, and concepts with the potential to create green jobs. The support seeks to ensure a commercial return (benefit/profit) for the applicants well as positive impacts for the target value chain actors. The grant will be provided to 60 agribusinesses for the first year under the incubation program and based on performance some of these agribusinesses will be supported in the second and third years under the Acceleration and Championship program.

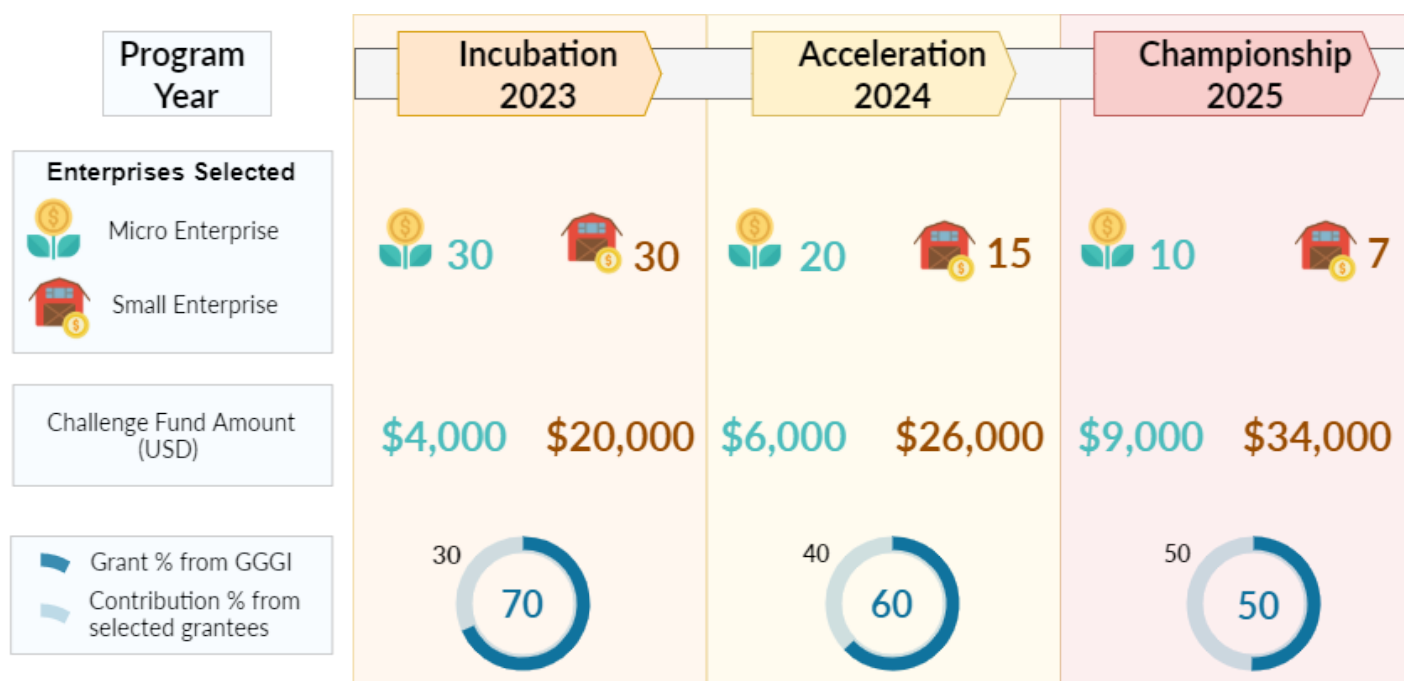


Figure: Working Modality of Terai Agribusiness and Enterprise Challenge Fund (TAECF)

Definition of Micro and Small Enterprises

Attributes	Micro Enterprises	Small Enterprises
Number of Employees	1-9	10-49
Fixed Capital	<USD 18,000	<USD 1.2 million

About GGGI

Global Green Growth Institute (GGGI), headquartered in Seoul, Republic of Korea, is a treaty based inter-governmental organization dedicated to promoting and encouraging strong, inclusive, and sustainable economic growth in emerging and developing economies.

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