



ANSAB

*Rich and Productive Biodiversity
for Prosperous Communities*



Annual Report 2004

ANSAB

*Asia Network for Sustainable
Agriculture and Bioresources*

Foreword



The Annual Report of ANSAB is more than just an opportunity to tell the world about its activities and accomplishments. It is an integral part of ANSAB's commitment to accountability. From its inception ANSAB has taken the responsibility of being held accountable for its performance seriously.

The organization routinely monitors, reviews and evaluates both internally and externally its activities and forthrightly publicizes its shortcomings along with its successes, with the belief that we often learn more from our failures than our successes. This Report is part of that effort.

A handwritten signature in black ink, which appears to read "John Croucher". The signature is fluid and cursive.

John W. Croucher, PhD
Vice Chairperson
ANSAB



Striving to Create Economic Incentives for Conservation

The ever told story, the ever made assumption and an unaccomplished ambition, rich biodiversity for prosperous communities, has been a challenge to move forward in a meaningful way. On the way of seeking solutions to overcome challenges, we worked out in the idea that resources can give people opportunities; enterprise can generate money; and conservation can lead a prosperous life. Discovering such prospects, we are committed to enterprise-oriented solutions to biodiversity conservation and sustainable community development.

Community forestry has been a success in Nepal and we strove to advance it for its effectiveness in ever-changing realities. To address the need of generating economic incentives for conservation, ANSAB designed, piloted and scaled up enterprise-oriented community forest management. By the end of 2004, 104 community forest user groups comprising of 11,590 households were organized and capacitated to manage 67,440 hectares of community forests area, which are a part of global biodiversity hotspot. We facilitated communities develop 18 community based forest enterprises and a number of micro enterprises. The total monetary benefits generated in 2004 from these enterprise activities resulted to NRs 177.6 million (US \$2.4 million) benefiting 35,227 economic participants.

Sustainable forest management and responsible business practices were emerged as an equally important area. The need encouraged ANSAB to introduce forest certification through which Federation of Community Forest Users, Nepal (FECOFUN) was awarded Forest Stewardship Council (FSC) certification for 11 community forest user groups (FUGs) of Bajhang and Dolakha as a pilot initiative. This gives an opportunity to bring additional FUGs that are harvesting products from well managed forests meeting the international standards of sustainability and interested to sell their products in international markets that care sustainability. A sustainable biotrade group, an initiative of our new business model made a successful push to position international market of non-timber forest products.

Our marketing information services have reached a large number of clients. The service is appreciated for its usefulness to NTFP collectors and potential entrepreneurs to plan and manage the NTFPs, government to make NTFP policy, banks to prospect loan proposals, NGOs to design poverty focused programs and community based enterprises to gain higher sales price. While programs are based on the state of the art, research activities are undertaken to fulfill the gaps and advance the effectiveness of the program. Nepal NTFP Network and other networks and policy forums are striving to bring policy changes and upscale positive impacts. Yet, challenges to the front are enormous, and our joint endeavor as in the past would bring out changes that we are looking for.

Following the experiences gained over a decade, this report presents how ANSAB brought forward its accomplishments, learned from the failures and achieved successes in 2004. The approaches and achievements presented in this annual report show documented evidence that biodiversity conservation and income generation can coexist. All ANSAB board members and staff have invested their minds, hearts and hands to make our efforts a success. I earnestly express my thanks to all staff from the field to headquarters and appreciate their dedication, commitment and hard work. I want to convey my sincere gratitude to all the partner organizations, donors (especially, The Ford Foundation, USAID, IDRC, SNV, ICCO, EWW), governmental bodies, and concerned stakeholders who have contributed much to the successes.

Bhishma P. Subedi, PhD
Executive Director, ANSAB

About ANSAB

Introduction



Established in 1992, ANSAB is an independent, not-for-profit, non-governmental organization working in South Asia with its headquarters in Kathmandu, Nepal. ANSAB is committed to enterprise oriented solutions to biodiversity conservation and sustainable community development. ANSAB is governed by a board of international experts, and has a dedicated team of industrious members and staff, with specializations in different aspects of natural resources, enterprises and local livelihoods.

ANSAB has a focal position in the field through its work for over a decade in ecological, technological, economic, and socio-cultural fronts associated to people-centered conservation, management, and use of biodiversity, especially non-timber forest products (NTFPs) in Nepal. It has been consistently evolving, consolidating and institutionalizing the approaches and strategies for community based enterprise development and sustainable natural resources management.

Program Focus and Approaches

ANSAB promotes enterprises based on the sustainable use of natural products; facilitates sustainable forest management through advancement in community forestry; creates economic incentives through enterprises for biodiversity conservation; designs and implements integrated biological and socio-economic monitoring systems; conducts studies and provides access to market and technological information; provides institutional, tenurial and technical support to grassroots resource management groups; promotes networking across broader array of governmental, private and non-profit organizations, and supports the development and improvement of policies and legislation as well as their effective implementation.

These program activities are organized into the following three areas:

- Community Forestry/Natural Resources Management
- Natural Product Based Enterprise Development
- Policy, Research and Networking

ANSAB has adopted the following guiding principles and approaches while designing, implementing, monitoring and evaluating the program activities.

- ANSAB integrates societal objectives of resource conservation and economic growth of communities.
- Programs are broadly based on coordination and collaboration across relevant stakeholders.
- At level of program implementation, ANSAB positions itself to have facilitative roles.
- ANSAB continually adapts and builds on the experience of its own and of other organizations.
- ANSAB has a unique approach of service delivery that combines direct services to communities and stakeholders as well as through local intermediaries.
- ANSAB adopts an ecosystem approach while managing biotic resources.
- ANSAB programs are inclusive of the concerns of gender, equity, and disadvantaged groups from design to implementation.
- ANSAB emphasizes sustainability aspects in terms of institutional development, capacity building, and program impacts.



ANSAB Team

ANSAB has a team of 57 professional staff members in the field of enterprise development, business development services, natural resource management, community forestry, sociology, economics, marketing, biodiversity research, biological and socio-economic monitoring, policy analysis and research, and finance and accounting. Facilitated by a diverse range of supporting organizations, ANSAB works with a network of partner organizations and NGOs in Nepal, India, Sri Lanka, Southern Africa and USA. Nepal NTFP Network (NNN), which has over 300 professionals and over 50 organizations as members, promotes policy development, research and coordination in NTFP and forestry sector. Through coordinating Public Private Alliance (PPA), ANSAB draws expertise from leading national and international private companies, public agencies, policy forums and networks, and non profits for specialized services such as product design and development, international marketing and forests management certification. In addition, it works closely with a number of reputed consultants in the specialized areas. For acquisition of the services of these consultants, ANSAB has a roster of experts which includes more than 100 individuals.



ANSAB Staff in a Team Building Workshop

Enterprise Oriented Community Forestry

Enterprise oriented participatory resources management and sustainable production constitutes central premise of ANSAB programs within the framework of community forestry in Nepal. ANSAB programs played a key role in advancing community forestry from subsistence to enterprise orientation in Nepal. Through a wide range of national to grassroots interventions, technical assistance, action research, and capacity building activities in relation to design, pilot and scale up the enterprise oriented community forests management in Nepal Mountains, the programs have created economic incentives for local communities to manage and conserve their resources. Enterprise oriented community forestry is essentially a participatory process that requires strong technical assistance and encompasses sub-sector analysis, threats analysis, strategies development and planning, implementation, and reviews.



The basic building blocks for the enterprise oriented community forestry are expansion of the property rights of local communities over resources, promotion of good governance, addressing equity and gender concerns and empowerment to them with knowledge, information, technologies, and required skills for forest management and institution building coupled with socio-economic and biological monitoring. ANSAB is also credited for bringing vast area of ecologically fragile forests and grassland of Himalayan region under improved community management. Impressive targets were achieved in the areas of formation and strengthening of Community Forest Users Groups (CFUGs) in the vast inaccessible Himalayan regions in 2004. In 2004, apart from technical assistance to existing CFUGs in the program districts, 23 additional CFUGs comprising of 2,896 households were formed and strengthened covering approximately 14,333 hectare of forest and grassland under improved management. By the end of 2004, a total of 104 CFUGs comprising of 11,590 households were organized and capacitated to manage 67,440 hectares of community forests (CFs) area.

Biological Monitoring and Resources Assessment



Methodology for community based biological monitoring has been developed in terms of the criteria like ecosystem health and vitality, threats to biodiversity and other social indicators for community managed forests in Nepal with pilot test underway. It is encouraging that all CFUGs facilitated and strengthened in 2004 have incorporated biological monitoring in their forest management operational plans. As a result, these communities started threats assessment, mitigation planning and tracking of the progress. After a field evaluation of the program, Bill Burch (Hixon Professor, Yale University) and SP Singh (Professor, Kumaun University) concluded, biological monitoring has made clear cut attitudinal change and local communities are ready to take measures for conservation. This is particularly crucial to ensure biological sustainability in the context of enterprise oriented community forests management (EOCFM).

Community Success in NTFP Management

The District Forest Office with numerous government mechanisms mostly failed to regulate yarshagumba collection and collect royalties but the CFUG managed effort is bringing about effective regulation of harvesting.

Forest User Group of Majhpal VDC, Dolpa namely Pokepani, Rolgad and Meli became able to manage access to the community forests and initiate harvesting regulations.

ANSAB facilitated those three CFUGs to amend their constitution, revise the operational plan and hand over of forest area to the CFUGs. Besides, ANSAB facilitated to survey the yarshagumba area occupying 5,225 ha of forest land. Along with the inclusion of management scheme to the operational plan, the CFUGs decided to levy NRs 100 per collector as entry fee and NRs 5,000 per kg as conservation fee for yarshagumba and it was brought into practice overcoming many hurdles. The initiative resulted in collection of about NRs 800,000 from fees in the first year of the implementation of this regulation. Among the three CFUGs, the Pokepani is the first in Nepal to collect revenue from yarshagumba.



Forest Certification Initiative

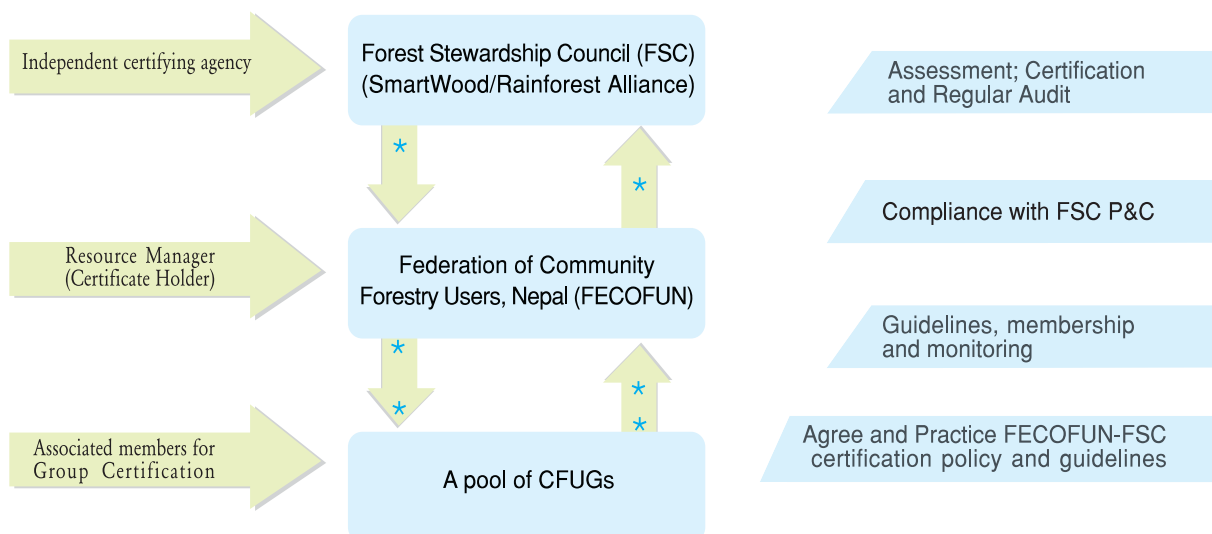
ANSAB introduced forest certification as a tool to promote sustainable forest management and responsible business practices focusing on NTFPs. The pilot phase which introduced and educated key stakeholders on certification was a success with the awarding of Forest Stewardship Council (FSC) forest management certification. Nepal is the first country in Asia to obtain FSC certification for NTFPs and only the fifth in the World. This certification is the first in the World for handmade paper and the first in the World with regard to the variety and uniqueness of NTFPs.

The certification is awarded to FECOFUN, a resource manager on behalf of a pool of CFUGs currently from two mountainous districts of Bajhang and Dolakha. The certification is appreciated for improving governance of FECOFUN and target CFUGs and bringing community forest management advancement and consistency. Training from ANSAB and the FSC certification process provided a uniform protocol for advising CFUGs on developing their operational plans and constitutions. FECOFUN has also noted that its relationship with government has improved and they now feel respected and able to represent CFUGs interest. In addition to national level capacity building, a total of 11,209 grassroots participants received technical assistance on sustainable forest management that will allow further groups to join the FSC certification.



Before the FSC certification was awarded by Rainforest Alliance, a series of milestones were established including NTFP certification interim guidelines for Nepal with the involvement of key stakeholders, a group certification model, resource manager's policy and guidelines, a model CFUG operational plan and constitution in the spirit of FSC principles and criteria, and certification assessment.

Forest Certification Model



Enterprises for Enhancing Livelihoods and Conservation

ANSAB made strategic interventions of natural products based enterprises to enhance the local livelihood opportunities creating economic incentives for conservation. Enterprises options, identified from subsector/valuechain analysis and developed from participatory planning with target communities, are scrutinized from the perspectives of economic viability, ecological/environmental sustainability, technological appropriateness, social impacts, and policy and institutional support. These enterprises transform raw materials into marketable products and influence marketing system and dynamics in favor of poorer women and men of local communities generating greater incomes and employment to them.

ANSAB has facilitated communities develop 18 community based forest enterprises and a number of micro enterprises. The enterprise activities vary from production to processing, and to marketing. The total monetary benefits generated in 2004 from these enterprise activities resulted to US \$2.4 million (Rs. 177.6 million) benefiting 35,227 economic participants. The products produced and marketed by these enterprises include handmade paper and paper products, natural fibres and fabrics, essential oils, dried medicinal and aromatic herbs, ayurvedic medicines and personal care products, herbal teas, speciality coffee, wild mushrooms, spices, high value crops and vegetables.



ANSAB extended local communities, enterprises and facilitating organizations its enterprise development services such as subsector analysis, feasibility studies, business planning, marketing research and planning, marketing information, product development and technology transfer, accessing finance, enterprise management training, and facilitated development of BDS markets to promote enterprises in forestry and agriculture sector. In an effort to promote NTFP subsector, ANSAB initiated a marketing push by introducing FSC certification system, strengthening supply chain networks, coordinating PPA to build a brand image of Nepali NTFPs in international markets.

Now, Singh has Job in his Homeland

Janak Bahadur Singh, Bajhang, is now working in the Malika Hand Made Paper Pvt. Ltd, established under the ownership of community forest users group with technical and financial help of ANSAB. Singh used to head towards India in order to earn money before but these days he doesn't need to go anywhere. He likes the life he is living now conserving the natural resources and making money out of it. He said, "I am also helping people by lending some money from the income I made in the enterprise to those heading towards India in search of job". When questioned, how much have you lent by now? he responded, "around 20 thousands calculating all." Many men and women have similar stories to tell like Singh. So far, the enterprise has given employment to over 50 people.



Promoting New Business Model

The traditional NTFPs collection and trade practices were undermining the value of sustainable resource management and incomes of local people, the stewards of nature and natural resources. There was a risk of the poor becoming poorer and heading to destroy their only source of livelihood, the biodiversity rich forest. To change this business as usual scenario, ANSAB partnered with key national and international stakeholders to initiate a new business model- NTFPs Private Public Alliance (PPA) to promote responsible business practices.

This alliance brings together U.S. product buyers and designers (Aveda and its extended industry contacts of the American Herbal Products Association); certification expertise (Rainforest Alliance); a diverse range of Nepali companies (Himalayan BioTrade Pvt. Ltd. and Gorkha Ayurved Company (P) Ltd); Nepali Networks and NGOs, Nepal NTFP Network, Himali Jadibuti Sarokar Samuha, and Federation of Community Forestry Users, Nepal); and donors (The Ford Foundation, SNV, and SDC) that have been developing community forest user groups and NTFP industry coordination within Nepal. Aveda and Rainforest Alliance are international partners in the alliance and bring global cutting edge industry and certification expertise to the alliance.



Nepali alliance companies, formed a sustainable bio-trade group and established international linkages to market NTFPs produced from sustainably managed community forests in socially responsible way in 2004. With the initiative of alliance, the sustainable biotrade group already marketed Rs.35 million (\$ 472972) worth of NTFPs including Rs.2.5 million (\$33783) in international markets directly benefiting 5334 households including employment for 1209 women and men. The group approached Rainforest Alliance for the FSC chain of custody certification, and underwent FSC assessment process in 2004. The group expects the FSC chain of custody award to be made in early 2005.

Cultural Transformation for Social Goodness

Each male child, adult and elder of shree binayak pimi dada used to chop down a sapling (young stage of tree) when celebrating Bishu Sakranti on Baisakh 1, the Nepali New Year. Traditionally, each year the communities used to celebrate the festival in this way, neglecting the importance of those saplings for economic benefits and conservation. The celebrating activity usually resulted in felling of 2,200 sapling each year. The community with 240 households in joint family never went through the negative implication of the festival that they enjoyed much. After the forest certification program was introduced in the village, the people understood importance of biodiversity and its management. As a result, the people who are strict to their culture themselves reduced felling sapling from individual to the household. Those who can accept change stopped absolutely. Consequently, this year the number of felling down sapling reduced to less than 240 and it is in the process of being reduced more. The neighboring CFUGs are also replicating the change made in the culture for the goodness of the community people.

Marketing Information Increases Income to the Poor

Nepal's NTFPs employ millions of collectors, village traders and exporters in Nepal, at least seasonally. As inadequate access to information and marketing support was found undermining the incomes of rural communities and entrepreneurs, and constraining the NTFP subsector development, a marketing information system (MIS) was developed in 2001. With the information, these products are being increasingly recognized for their roles in biodiversity conservation, export values and rural livelihoods, especially for the poor mountain communities. Developed through multi-stakeholders' interactions and facilitated by ANSAB, the MIS collects, analyzes and disseminates marketing information on various NTFPs and high value crops to collectors, local traders, entrepreneurs and development facilitators through electronic, print and verbal media.

In 2004, to increase the outreach and effectiveness of MIS, the services are customized at regional, districts, and village clusters that serve the specific local communities and entrepreneurs' needs. Regional level MIS services were provided from Nepalgunj in western Nepal and Ilam in Eastern Nepal. Linking with national and regional MIS centers, the district level centers established in Darchula, Dolpa, Bajhang, Surkhet, Dolakha, and Ilam across Nepal provided localized MIS services. The services include information on market prices of 32 commercial NTFPs and high value crops, value adding technologies, production and harvesting best practices, buyers requirements, facilitation of buyers sellers meetings, trader's networking and market linkages.

MIS activities have reached a large number of clients. The information service has raised interest on NTFP business among potential entrepreneurs and support programs, and has assisted them in planning and management of the various NTFP activities, such as nursery raising, harvesting, post harvest activities, processing and marketing. It has increased the knowledge base and bargaining capacity of collectors and entrepreneurs; helped them develop new enterprises and find new markets for their products; and in turn contributed to increase their incomes and positive social impacts. The significant gains from increased prices to local collectors and traders resulted where the MIS was linked with supporting enterprise activities. The information also helped government take action to streamline royalty and taxes, banks to evaluate prospects of NTFP loan proposals, NGOs to design more poverty focused programs, and community based enterprises to gain higher sales price.



Better Livelihood after Accessing Market Price of Yarshagumba

People of Rapla VDC, Darchula could preserve their subsistence for six months and for the next six months; they used to have a hard living. Luckily, they had an option of yarshagumba collection, and after hard and time consuming labors, they used to get 30-50 thousand per kg from yarshagumba. Although the money looks big, it was an extreme low price in comparison with the time and hard work they had to pay for.

After the marketing information they received, initiative of ANSAB, the collectors were empowered and they started bargaining with the traders. The traders had to pay 75-80 thousand rupees for a kg of yarshagumba to the collectors. The poor collectors succeeded to join hand to mouth for remaining 5-6 months from the yarshagumba income. Some installed solar power and some bought cows and goats, some bought agriculture lands and some paid their previous local debts. Dumling and Numjung CFUGs have now made a plan of establishing mini hydropower from the income of yarshagumba. The Numjung CFUG has already completed the feasibility study of the mini hydropower. The study has shown that the nearby water resource can produce 6 MW electricity.

Networks for Policy and Upscaling Impacts

Networking, research and coordination are ANSAB's important cross cutting program agenda. To bring policy changes and upscale positive impacts, It promotes networks among key stakeholders and policy forums. Since 1995, the Nepal NTFPs Network (NNN) coordinated by ANSAB has been reviewing, discussing and consolidating non timber forest products related policy issues based on the field level experiences, action research and studies in various parts of the country. The membership of the network spans individuals, policy makers, donors and I/NGOs working for the promotion of the NTFP sub-sector, and there are about 300 members associated with it. With the inputs of network and the demonstrations of good initiatives taken by its members on the ground, NTFPs were increasingly recognized due for rural poverty alleviation in the 8th and 9th Five Years Plans. As a result of the efforts made by NNN and initiatives of ANSAB, the 10th plan explicitly recognized the importance of the management and trade of NTFPs in poverty reduction, biodiversity conservation and ecotourism development. Despite this, inadequate policy provision did not provide clear direction towards the development of NTFP sub-sector.



In recognizing the need to develop conducive policy environment in this sub-sector, a high level, national body "Herbs and NTFPs Coordination Committee chaired by Minister for Forests and Soil Conservation was formed in 2002. ANSAB was appointed as a member of this committee to represent International/Non Governmental Organizations in Nepal. Recognizing the experiences, networks and strengths, the coordination committee requested ANSAB to take a lead role in preparing recommendations for national herbs and NTFP development policy. In the process of developing recommendations, ANSAB brought together multiple perspectives and made consultations with grassroots and national levels stakeholders.

After the completion of a number of field studies and policy reviews from grassroots perspectives, policy recommendations were scrutinized through a national workshop organized in July 4-5, 2003 in Nagarkot by involving a wide range of stakeholders including Ministry of Forests and Soil Conservation (MFSC) and its departments, NNN, FECOFUN,

HJSS, private companies, forestry projects and NGOs, donor organizations such as USAID, IDRC and SNV. All Such innovations, discussions and analyses uncovered several issues pertaining to the NTFPs regulations in the country. As a result of these efforts and feedback, His Majesty's Government of Nepal ratified a separate NTFP policy, Herbs and NTFP Development Policy in September 2004.

To mainstream and incorporate voices from grassroots to national level stakeholders in policy and programs, ANSAB worked closely with multiple stakeholders including grassroots communities, undertook participatory action research and strengthened networks and institutions such as HJSS and FECOFUN. In 2004, ANSAB carried out a number of research and studies including biological experimentations (yarshagumba, okhar), microfinance case study, market survey and research, analysis of major 5 policy issues of national interest and policy development process.

Project Portfolio

The project (1999-2005) is jointly implemented by ANSAB and EnterpriseWorks Worldwide (EWW) in Humla, Jumla, Bajhang, Dolpa, and Mugu. The project, funded by Global Conservation Program of USAID, aims at conserving the globally significant mountain biodiversity of the five western Himalayan districts of Nepal through community forest management linked to enterprise development.

Enterprise Based Biodiversity Conservation in Nepal

Certification and Sustainable Marketing of Non-Timber Forest Products-Private Public Alliance (PPA)

The project (2002-2005) is promoting forest certification and sustainable marketing of NTFPs in Nepal. The project, funded by Global Development Alliance of USAID and contributed by the Ford Foundation, IDRC, SNV, ICCO, SDC and alliance members, aims at increasing incomes and employment of NTFP producers and promoting sustainable resources management through certification initiatives, promoting product design and development and marketing of NTFPs, and expanding responsible buying practices among industry members in the West. Coordinated by ANSAB, the project partners include MFSC, Aveda, Rainforest Alliance, HBTL, GAC, AHI, FECOFUN, NNN and HJSS.

The project (2004-2006) is being implemented in Banke, Surkhet, Dolpa, Darchula, Dolakha, Bajhang and Ilam, Pachthar, Taplejung, Jumla and Mugu. The project, funded by ICCO and SNV, aims at improving the marketing information access of local collectors and traders in Nepal in order to promote NTFPs based enterprises and ensure fair and equitable share of the local communities from the trade of NTFPs.

Marketing Information System (MIS) for Non-Timber Forest Products in Nepal

Business Development Services-Marketing and Production Services (BDS-MaPS)

Five organizations consortium, with International Development Enterprise (IDE) as the lead agency, the project (2003-2006), funded by USAID, is being implemented in Dolpa, Banke, Surkhet, Kailali and Syanja districts of Nepal. The project has an objective to provide better market access to the NTFPs and high value crops through improved market based BDS in the areas of cultivation, harvesting, trade and enterprise development.

The project (2004-2007) is being implemented in Dolakha and Bajhang districts of Nepal. Funded by the Ford Foundation, the main goal of the project is advancing community forestry for sustainable enterprises, improved livelihoods and community development.

Advancing Community Forestry for Sustainable Enterprises in Nepal

The project (2001-2004) was implemented in the Darchula district of Nepal in collaboration with FECOFUN. Funded by Medicinal and Aromatic Plants Program in Asia (MAPPA) of IDRC, the project has objectives to provide support to conserve the critical biodiversity of Darchula district while improving livelihoods of collectors, small-scale growers and traders by increasing benefits from conservation and sustainable use of medicinal plants in the project area.

Conservation of Medicinal and Aromatic Plants for Sustainable Livelihoods in Nepal (CMAPSL)

Valuation of Ecosystem Services of Himalaya Mountains Forests for Conservation through Capacity Building and Policy Interventions

The project (2005-2006) is being implemented in India and Nepal as a pilot study. The project, funded by IDRC, has an objective to facilitate conservation of the forest ecosystems and biodiversity by valuing their ecosystem services. The project also aims to assess ecosystem services (ESs) of the mountain forests, to educate, sensitize and interact with the decision makers at policy level, and to develop options for getting payment of ecosystem services of mountain forests.

Influencing Policy and Good Governance in NRM Sector: Focusing on Community Forestry and NTFP Sub-sectors in Nepal

Funded by IDRC, the objective of the research project (2004-2005) is to reflect back, analyze, synthesize and document the experiential learning of different actors and stakeholders in the evolution of community forestry and NTFP oriented policy formulation at local to national levels in Nepal.

The project (2004) aims to identify the opportunities and constraints of forest-based small and micro-enterprises and analyze the scope of microfinance in enterprise development. A case in Parbat district was chosen for the purpose. The project is funded by FAO.

Micro-Finance Study

Financial Statement

Balance Sheet as on December 31, 2004

Amount in Rupees

	Current Year	Previous Year
Non-Current Assets:		
Fixed Assets (at cost less depreciation)	1,645,762	1,421,196
Investment in CBEs as Seed Capital	1,531,333	1,531,333
	3,177,095	2,952,529
Current Assets:		
Cash and Cash Equivalents	15,009,259	8,606,157
Accounts Receivable	6,435,536	2,937,195
Investment in CBEs as Seed Capital	1,042,995	850,189
Advances recoverables in cash or kind	(6,311,974)	(2,995,840)
Less: Current liabilities & Provisions	16,175,816	9,397,701
Total Assets	19,352,911	12,350,230
Represented by:		
Restricted Fund	10,541,000	5,285,572
Sustainability Fund	5,000,000	3,500,000
Seed Capital Revolving Fund	1,556,333	1,556,333
General Fund	1,023,318	848,066
Capital Reserve Fund	1,232,259	1,160,259
Total Funds	19,352,911	12,350,230

Income and Expenditure Statement

Amount in Rupees

	Current Year	Previous Year
Income		
Income from Donors for Projects	32,418,280	31,852,559
Grants-in-aid	2,212,220	2,724,476
Miscellaneous Income	604,545	55,900
Total Income	35,235,045	34,732,935
Expenditure		
Direct Project Cost	28,184,573	27,614,821
Research and Development Cost	1,599,722	2,228,092
General and Overhead Cost	3,775,497	3,438,519
Total Expenditure	33,559,792	33,281,432
Surplus	1,675,253	1,451,502

Recent Newsletter and Publications of ANSAB

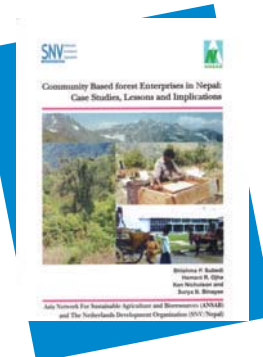


Lahara

Lahara, regularly published once in three months in Nepali language provides articles, reports, opinions and news targeting the forest based poor communities. The important coverage of the newsletter include market price list of major NTFPs, plant profile, photo feature, reports on NTFP processing and marketing.

Community Based Forest Enterprises in Nepal: Case Studies, Lessons and Implications

The publication (109 pp.), reprinted this year, presents findings of an assessment on present and past initiative in community based forest enterprises, supported by ANSAB in its program area. A total of 11 enterprise cases were studied representing several ownership options with details on enterprise modalities and case studies, its analysis and discussion along with assessment and recommendations. The authors of the publication are Bhishma P. Subedi, Hemanta Raj Ojha, Ken Nicholson and Surya B. Binayee.



Commercially Important NTFPs of Nepal

The book (167 pp.) aims to provide information about commercially important NTFPs, its identification, part of use, available location, collection period, regeneration, sustainable use and market. Scripted in Nepali language, the book is simply written and easily understandable to the local community people. The book consists description of 127 commercially important NTFPs of Nepal.

Non-timber Forest Products in Nepal, National Policy Workshop

The publication (83 pp.) is proceedings of NTFPs National Policy Workshop conducted from July 4 to 5, 2003 which identified major opportunities and policy challenges of enterprise oriented resource management as well as different social, economic and environmental issues. "Herbs and NTFP Development Policy, 2061", which has already been ratified, made the national workshop its basis for policy draft preparation.



Seabuckthorn (Dalechuk)

Published as a promotional material, seabuckthorn is one of the many series of promotional publications. All the contents are descriptive along with introduction, types, available locations, edible and medicinal use, collection period, collection methods, forest management and its regeneration.

Written in Nepali language, the material also presents product development from seabuckthorn, 'how to prepare juice' and its marketing.

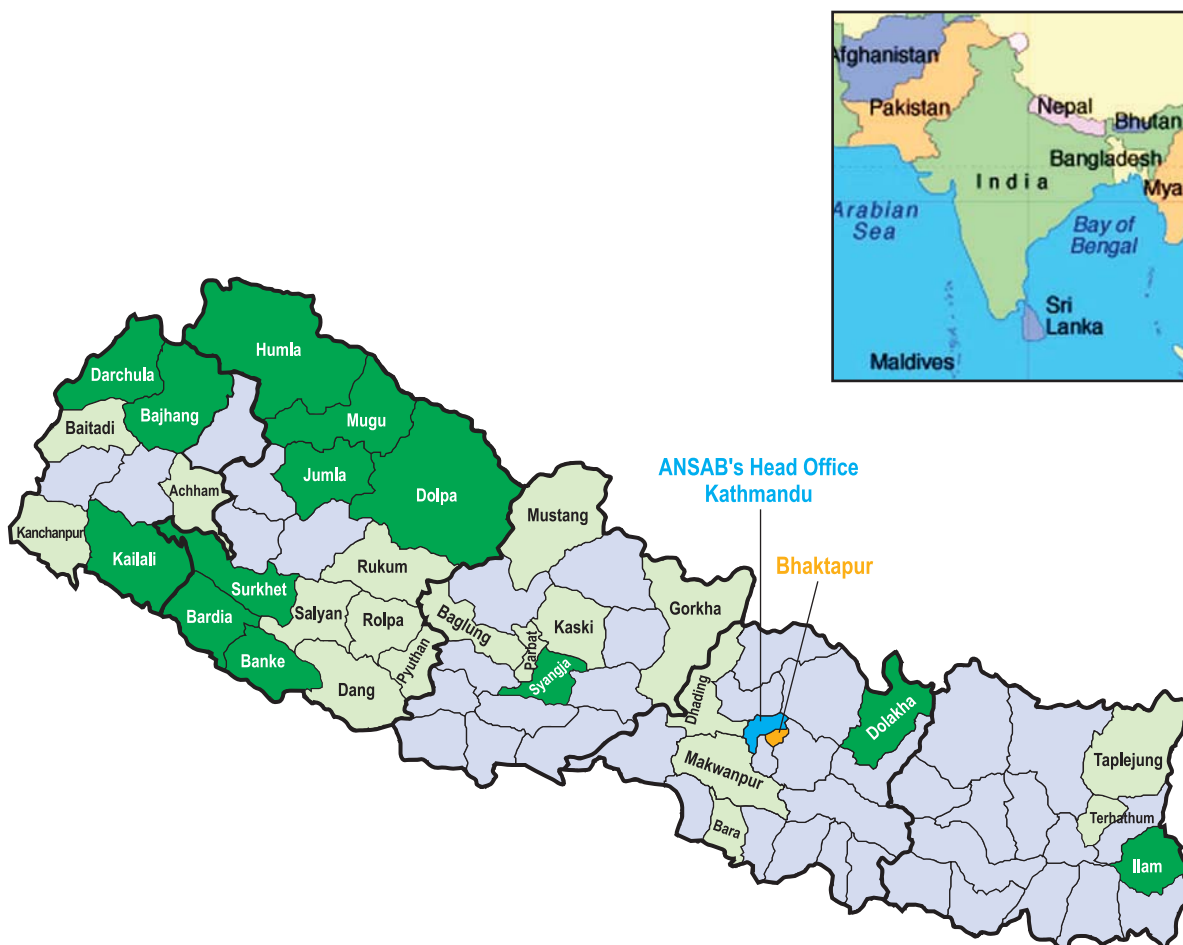
ANSAB Donors and Partners

- Alternative Herbal Industries (AHI)
- Appropriate Technology India (ATI)
- AVEDA
- Canadian Center for International Studies and Cooperation (CECI),
- Department for International Development (DFID)
- Department of Plant Resources (DPR)
- Dolpa Sarbangan Bikas Samaj, Dolpa
- ECARDS, Dolakha
- Enterprize, Environment and Social Impact Consulting (E²SIC)
- EnterpriseWorks Worldwide (EWW)
- Federation of Community Forestry Users, Nepal (FECOFUN)
- Food and Agriculture Organization (FAO)
- Forum for Natural Products Conservation and Utilization, Dolakha
- Gorkha Ayurved Company (GAC)
- Herbs and NTFP Coordination Committee (HNCC)
- Himalayan BioTrade Private Limited (HBTL)
- Himali Jadibuti Sarokar Samuha (HJSS)
- Humla Conservation Development Association, Humla
- Ilam Chamber of Commerce and Industry (ICCI)
- Interchurch Organization for Development Cooperation (ICCO)
- Intermediate Technology Development Group (ITDG)
- International Centre for Integrated Mountain Development (ICIMOD)
- International Development Enterprises (IDE)
- International Development Research Centre (IDRC)
- International Fund for Agricultural Development (IFAD)
- Kumaun University, Nainital, India
- Livelihood and Forestry Programme (LFP)
- Lotus Opportunities
- Malika Handmade Paper Limited (MHPL)
- Micro-Enterprise Development Program (MEDEP)
- Ministry of Agriculture and Cooperatives (MoAC)
- Ministry of Forests and Soil Conservation (MFSC)
- Nepal Forum of Environmental Journalists (NEFEJ)
- Nepal NTFP Network (NNN)
- Netherlands Development Organization (SNV)
- Panchthar Chamber of Commerce and Industry (PCCI)
- Rainforest Alliance (RA)
- Rural Community Development center, Mugu (RCDC)
- Rural Development Group Program, Jumla
- Social Development Center, Bajhang
- Socio-Economic and Ethno-Political Research and Training Consultancy (SEEPOR)
- Swiss Agency for Development and Cooperation (SDC)
- Taplejung Chamber of Commerce and Industry (TCCI)
- The Ford Foundation
- The Rockefeller Foundation
- The World Conservation Union (IUCN)
- United States Agency for International Development (USAID)
- Winrock International
- World Wide Fund for Nature (WWF)
- Yale University, School of Forestry & Environmental Studies

Acronyms

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|------------|---|
| • BDS-MaPS | Business Development Services-Marketing, Production and Services |
| • CBFE | Community Based Forest Enterprises |
| • CF | Community Forest |
| • CFUG | Community Forest Users Groups |
| • CMAPSL | Conservation of Medicinal and Aromatic Plants for Sustainable Livelihoods |
| • EOCFM | Enterprise Oriented Community Forest Management |
| • FSC | Forest Stewardship Council |
| • HHs | Households |
| • HVC | High Value Crops |
| • MAPPA | Medicinal and Aromatic Plants Program in Asia |
| • MHPL | Malika Handmade Paper Limited |
| • MIS | Marketing Information System |
| • MoU | Memorandum of Understanding |
| • NNN | Nepal NTFP Network |
| • NTFP | Non-Timber Forest Product |
| • PPA | Private Public Alliance |
| • RM | Resource Manager |
| • ESs | Ecosystem Services |
| • NRM | Natural Resource Management |

ANSAB Geographic Area of Coverage



Direct Field Implementation 2004:

Darchula, Humla, Bajhang, Mugu, Jumla, Dolpa, Dolakha, Kailali, Bardia, Banke, Surkhet, Syangja, Ilam

Previously worked or studied:

Baitadi, Kanchanpur, Achham, Rukum, Salyan, Rolpa, Dang, Pyuthan, Baglung, Mustang, Parbat, Kaski, Gorkha, Dhading, Makwanpur, Bara, Taplejung, Terhathum



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