



ASIA NETWORK FOR SUSTAINABLE
AGRICULTURE AND BIORESOURCES

ANNUAL REPORT 2009

 **ANSAB**
Rich Biodiversity and Prosperous Communities



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MESSAGE FROM THE EXECUTIVE DIRECTOR



Since its creation in 1992, ANSAB vision of “rich biodiversity and prosperous communities” has never changed. The means implemented to reach this vision have evolved, however, as we learned from our early experiments and developed new and more effective tactics to meet our objectives. Developments in the national and international environment also had an impact on our operations. I am of course talking about Nepal’s political turbulences and subsequent peace process, but also, and perhaps more importantly, about the ever increasing challenge posed by climate change to humanity.

International awareness on this later issue has reached a new high in 2009, as world leaders convened to Copenhagen for the UN Climate Change Conference. For ANSAB, and Nepal more generally, the call to action took the form of a new focus on Reduced Emissions from Deforestation and Forest Degradation (REDD). Promoted at the highest levels by the World Bank and other international organizations as an effective mean to reduce the rate of climate change, REDD is now actively embraced by the Nepali government and key national players in community-forestry.

The fact is that REDD represents a tremendous opportunity both for the protection of the environment and the improvement of the livelihood of South Asia’s poorest rural communities. The creation of worldwide carbon markets could indeed allow for the establishment of payment-schemes in which carbon emitters would buy credits from local Community Forest User Groups (CFUGs) in exchange for latter’s active preservation of forests (carbon pool).

For ANSAB, REDD opened a whole new line of program activities; it added a powerful new tool to our development toolbox. In addition to fostering sustainable value chains for Non Timber Forest Products such as Lokta, Allo or Yarshagumba, we have now also started to work on fostering

sustainable value chains for carbon storage. Concretely this year, this meant recruiting new employees, forging new partnerships, acquiring new knowledge and initiating feasibility studies in three distinct districts of Nepal.

Down the line, REDD could represent an additional source of revenue and an additional incentive to protect the environment for poor rural communities in South Asia. Carbon is more intangible than NTFPs, however, and the rules that will preside over the establishment of carbon markets are still being debated. What we accomplished this year was thus only the beginning of a long process, a process in which ANSAB is planning to put all its imagination, hard work and expertise over the next decade.

I am confident that we can contribute to make REDD a success in the region because we have been there before: when ANSAB started to implement community-based entrepreneurial solutions at the beginning of the 1990s, many were skeptical. Yet today our meticulously calculated track record speaks for itself. In 2009, 46,049 households that have benefitted of ANSAB’s intervention in the past generated no less than US\$ 6.63 million in additional annual revenues. Put it in another way, more than forty five thousand rural households made

144 US\$ more this year than they would have had ANSAB not existed. In a country where 30.9% of the population lives with less than 1US\$ a day and where there is a huge disparity of wealth between cities and rural areas, this is an achievement which we can be proud of. In parallel, ANSAB intervention has brought 92,841 hectare of forest and meadow under improved community management to date, ensuring healthier and more diverse ecosystem for many years to come.

These achievements are the result of the hard work of all those who joined ANSAB in its mission: donors, implementation partners, board members, and of course, a truly dedicated and professional staff. On the behalf of the numerous communities you have helped, let me conclude by extending my warmest and most sincere thanks to all of you. I look forward to us working together again in 2010 on economic development, REDD and any other opportunity that might present itself to transform our vision into reality.

Bhishma P. Subedi, PhD
Executive Director, ANSAB

INTRODUCTION

Established in 1992, and headquartered in Kathmandu, Nepal, ANSAB is an independent, not-for-profit, nongovernmental organization working in the field of biodiversity conservation and economic development in the South Asia region. ANSAB has been a forerunner in its field for almost two decades, offering technical assistance in support of people-centered use and conservation of biodiversity, especially Non-Timber Forest Products (NTFPs).

Vision

ANSAB has a vision of rural South Asia built on rich biodiversity and prosperous communities. This vision includes rich, healthy and productive ecosystems actively managed and sustainably used by formerly poor local communities. It also features adaptive people and resilient ecosystems able to cope with global climate change.

Mission

Implement community-based, enterprise-oriented solutions that conserve biodiversity and improve the livelihoods of the poorest of the poor while bolstering national economic development and addressing climate change.



Executive Director Dr. Bishma Subedi exhibiting the second best award for the **Most Innovative Development Project (MIDP) 2008**. The prize was awarded during an event organized by the **Global Development Network (GDN)** in February 3-5, 2009 in Kuwait.

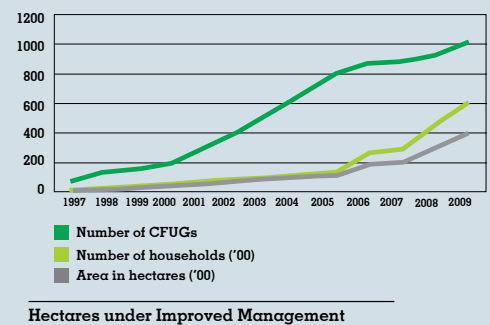
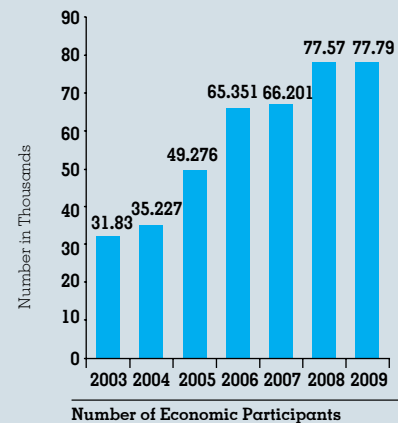
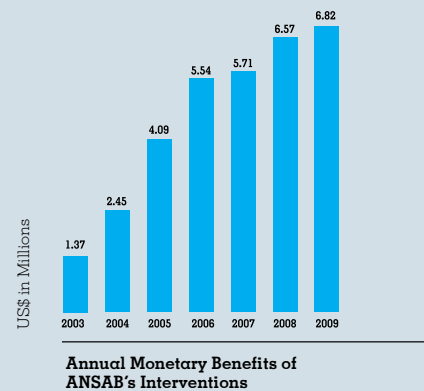
FACTS AND FIGURES OF 2009

ANSAB measures its effectiveness on the ground through a detailed Impact Tracking System (ITS). Specific outcomes are measured in terms of monetary benefits to primary producers and collectors, degree of economic participation in the value chain, and forest area under improved management.

- In 2009; ANSAB's interventions generated sales of NRs 98,118,085 from 725 economic entities involving 13,392 owners (53.55% men and 46.45% women), 7972 workers (53.22% men and 46.78% women) and 11,076 raw material suppliers (52.23% men and 47.77% women).
- This brings ANSAB total contribution since 2003 to: US\$ 6.82 million in annual monetary benefits for 77,790 economic participants; and
- 100,671 hectare of forest and meadow areas brought under the improved community management of 393 Community Forest User Groups (CFUGs), representing 60,161 households (HHs).



A still from
a carbon
measurement
training organized
by ANSAB



PROGRAMS UPDATE

ANSAB has categorized its major programs into four areas: 1) Pro-Poor Economic Development; 2) Biodiversity, Ecosystem services and Climate change; 3) Policy, Research and Networking; and 4) Capacity Building and Services.

PRO-POOR ECONOMIC DEVELOPMENT

Programs in this area cover a comprehensive spectrum of activities aimed at creating or strengthening enterprises that improve the livelihood of poor forest owners and workers. ANSAB support begins with enterprise planning and development, including assistance in identifying enterprise options, undertaking feasibility studies and developing business plans. It continues its help with access to financial and non-financial business development services (BDS) providers such as local resource persons, community resource centres, commercial banks, and micro-finance institutions. ANSAB also

works to improve the quality of products and develop new markets, notably by facilitating product certification processes (FSC, Organic, Fair Trade, Wildlife Friendly).

Although ANSAB primarily assists poor and women-focused Community Forest User Groups (CFUGs) and farmers groups, it focuses on the promotion of the entire value chain by supporting local and national enterprises as well. Through its network, ANSAB conducts market linkage between small producers, local manufacturers, national companies and international buyers. It moreover sets up marketing information systems (price lists, directories, manuals) to facilitate buyer-seller interactions throughout the chain.

BIODIVERSITY, ECOSYSTEM SERVICES AND CLIMATE CHANGE

Programs in this area regroup targeted research and fieldwork activities aimed at improving the management of natural resources by local communities. ANSAB

A woman working in her handmade cloth industry in Parbat. This type of industries use threads manufactured from the locally available resource - Allo.



notably builds the capacity of local Community Forest User Groups (CFUGs) in forest resource assessment, sustainable harvesting practices, good governance, and the mutually reinforcing links between conservation and economic development. These capacities help them to develop and follow sustainable forest management plans.

ANSAB also promote innovative agro-forestry practices for poor landless individuals and help CFUGs obtain forest certification from the Forest Steward Council (FSC). It moreover encourages biodiversity conservation by identifying rare and endangered plant species and by developing participatory biodiversity monitoring tools to ensure their conservation.

In addition to these traditional activities, ANSAB increasingly works on the establishment of payment-schemes for ecosystem services such as Reducing Emissions from Deforestation and forest Degradation (REDD) mechanisms.

POLICY RESEARCH AND NETWORKING

ANSAB believes that a sound policy framework is very important to the effective implementation of its programs on the ground. As such, it works with key stakeholders from the grassroots level to national policy makers to further improve the development and implementation of government policy in the agricultural and forestry sectors. The objective is to create an enabling legal environment for biodiversity conservation and economic development through community-based and enterprise-oriented solutions.

ANSAB notably coordinates the Nepal NTFP Network (NNN), which has over 50 institutional and 300 individual members.

CASE STUDY:

Tenfold increase in disposable income for a former landless farmer

Kalicharan Chaudhary, a 42 years old farmer living in Mahadevpuri-8 Banke district, is from an indigenous and disadvantaged group of people. Due to the pervasive poverty, he could not continue his study above the 7th grade. He was fighting with rented land to sustain the lives of 8 member family. The cash income of Kalicharan was around Rs 400/month.

During the establishment of a distillation unit in Mahadevpuri, he was selected as an operator and was trained on machine installation by the machine supplier, ANSAB staff and experts from the Himachal Pradesh Power Corporation Limited (HPPCL).

Now, Mr. Chaudhary is enjoying 10 times more income (Rs. 4000/month) and lives happily with his large family. He has been investing the income mainly in his children's education, clothing and other daily needs. He also invested his money in buying a bicycle and having a drinking water supply connection in his house. His social status significantly increased and he became a member of company's management committee. Once the education of his children is paid for, he wants to invest his additional income in land purchasing and building construction.

The NNN brings together communities, businesses, donors, environmental and government representatives to discuss and work on promoting sustainable use and management of NTFPs. At the request of the Government of Nepal, it led the national policy development process for herbs and NTFPs, which resulted in the promulgation of the Herbs and NTFP Development Policy of 2004.

CASE STUDY:

Community-based forest enterprises consortium proves that environmentally responsible business practices can be successful

Himalayan Bio Trade Ltd. (HBTL) is a natural products processing and trading company owned by a consortium of community-based forest enterprises of Nepal which has been promoting responsible business in natural products through a forest certification program in Nepal since 2003.

One of HBTL's main products is FSC certified handmade paper, which is crafted from Lokta bark (*Daphne bholua*) responsibly harvested from FSC certified Himalayan forests in Nepal. Rural indigenous communities who manage the forests have established an innovative model enterprise, Malika Handmade Paper Company in Bajhang, which uses traditional paper making methods combined with modern quality control practices. Sheets of handmade paper are transported from the paper enterprises to Himalayan Bio Trade P. Ltd. (HBTL) in Kathmandu where a wide range of paper products are constantly dyed, printed and assembled to the buyer's specifications.

A joint effort, facilitated by the ANSAB, created a private-public partnership that promotes Nepal's unique natural products

in international markets. The partnership includes: ANSAB, Community Forest Users Groups (CFUGs), local forest products companies, Rainforest Alliance (RA) and AVEDA. ANSAB's technical assistance, guidance, and its linking HBTL with the other partnership members has helped HBTL ensure that it follows internationally recognized guidelines for socially responsible businesses. The partnership and the high level international standards that HBTL has met has allowed the Sustainable Bio Trade Group (SBTG), in which HBTL is a group manager, to be awarded the Chain of Custody (CoC) certification for trading FSC certified non-timber forest products (NTFP) for the first time in Asia and handmade paper for the first time in the world.

Promoting and marketing FSC certified handmade paper has greatly benefited marginalized community groups, helping them to fight poverty and improve their standard of living, while protecting Nepal's unique biodiversity. Employment creation and income generation opportunities at a local level,

are now closely monitored and product quality is controlled from harvest to distribution. These efforts are helping to create sustainable supply chains that will benefit local communities for years while giving customers a high quality, unique natural product.

The result of years of coordinated effort in strengthening the capacity of community forest user groups and community-based forest enterprises to sustainably develop the forest products value chains are tremendous: in 2009, HBTL ranked as the top 9th handmade paper exporter in Nepal and Aveda, a major US-based natural beauty company who was impressed by the product and the environmentally responsible business practices, is featuring the certified handmade Nepali paper in the promotion of their products.

In 2009, ANSAB continued to participate in numerous fora to improve forestry-related policy. It, for example, became member of a special task force put together by the Herbs and NTFP Coordination Committee (HNCC) of Nepal's Ministry of Forest and Soil Conservation (MoFSC). It was part of the management team that put together the Community Forestry International Workshop held in Pokhara on September 15 -18, 2009, and initiated a value chain analysis of selected NTFPs –Rittha and Jatamansi – in collaboration with the Global NTFP partnership. It also organized the 33rd Nepal NTFP Network (NNN) meeting on March 06, 2009 to discuss and identify the major challenges faced by Small and Medium Forestry Enterprises in Nepal. A total of 27 high level representatives from government, non government and private sectors participated in the meeting, which identified major challenges in market, service and policy provisions.

CAPACITY BUILDING AND SERVICES

ANSAB believes in strengthening the capacity of local communities, NGOs, private enterprises and government bodies through all its activities to ensure a development that is sustainable in the long run. And with over a decade of experience in biodiversity conservation, community-based enterprise development, natural resource management and NTFPs sub-sector development, there is a great demand for its trainings, technical assistance and publications services.

In 2009, ANSAB held a total of 578 capacity building events, including workshops, study tours, networking gathering, market information dissemination, buyer-sellers linkage as well as planning, coordination and review meetings. 14980 people benefited from these events, 33.97% of which were women.



MAJOR HIGHLIGHTS / EVENTS OF THE YEAR

Partnership with blue moon fund (bmf)

After a first collaboration last year for the organization of an expert conference, the partnership between ANSAB and the blue moon fund (bmf) was strengthened in 2009 as the fund decided to support the transformation of ANSAB in to a Center of Excellence in Development and Practical Application of Rural Development Strategies for Biodiversity Conservation and Economic Development. With a budget of \$90 000 for the first year, this project supports the development of toolkit modules that will facilitate replication and scaling of ANSAB's proven and tested approach.

Participants after the
five-day training on Forest
Carbon Stock Measurement
organized by ANSAB on
November 16 – 20, 2009

Reduced Emission from Deforestation and Degradation (REDD) Learning Events

In addition to the implementation of a pilot project in three districts (details provided in the Project Portfolio section), ANSAB organized three major learning events this year related to its new focus on REDD. The first was a half-day workshop titled Nepal Forest Carbon - Payments for Ecosystem Services held in Kathmandu on February 16, 2009. It was put together in collaboration with EnterpriseWorks/VITA (EWV) and a carbon expert from Terra Global capital, Mr. Steven De Gryze. The major objective of the workshop was to create general awareness among stakeholders on payment mechanism



for carbon and to introduce basic concepts related to environmental services. Altogether 29 people from different INGOs, institutions and government organizations involved in the sector participated in this highly appreciated event.

ANSAB then organized a two-day training more directly on REDD in Kathmandu on September 11-12, 2009, which was one of the first of its type focusing concretely on the best approach for adoption in Nepal. The training was facilitated by several experts, including one of our board members, Professor S.P. Singh. It was attended by a variety of concerned stakeholders, including indigenous people, FECOFUN centre and district chapters, ANSAB and ICIMOD staffs.

Finally, ANSAB organized a five-day training on Forest Carbon Stock Measurement in Godavari on November 16 – 20, 2009. The training was organized to raise the capacity of the field staff and

Local Resource Persons (LRPs) related to the NORAD REDD project. Most of the technical aspects of the training were presented by the ANSAB's central level staff and a consultant, with some complementary presentations made by ICIMOD and FECOFUN staff. A total of 33 people participated in the training, including NORAD REDD field staff, LRPs, people from FECOFUN district Chapters and District Forest Offices (DFOs) of related districts.

International Buyers Tour

In February 2009, ANSAB hosted a team of major international buyers comprising Estee lauder, Aveda, S&D Aromas, Forest Essentials, Enterprise Works/Vita and Terra Global capital. ANSAB organized on-site visits to the selected community-based enterprises in Nepalgunj and Dolakha, focusing specifically on distillation, cultivation and handmade paper processing units. The objectives of the tour were to: a) explore possibilities



Aveda gift set topped with Nepali paper sustainably produced by ANSAB-supported communities in Bajhang and Dolkha districts. Picture from the Aveda website <http://www.aveda.com/whatsnew/nepal.tmpl>

for developing projects on payment for ecosystem services in community forestry in the areas and b) expose buyers to NTFPs products and to ANSAB's approach to conservation and community development.

The team members were very impressed with the level of communities' involvement in the management of their natural resources and the commercialization of locally available NTFPs for their livelihood enhancement. The members also showed interest in, and provided valuable ideas for, marketing these products at an international level.

Community members in Sindhupalchok district making bio-briquette. ANSAB facilitated the establishment of Himalayan Green Energy Pvt. Ltd. (HGEPL) to market the briquettes produced by community enterprises.

Following this visit, the international beauty product company Aveda selected Nepali Handmade Lokta Paper to wrap its Holiday products package for the second year in a row. Every gift set of Aveda is embellished with the paper sustainably produced by ANSAB-supported communities in the Bajhang

and Dolkha districts. The packages (boxes and pouches) are also decorated with beautiful pictures of men and women participating in Lokta copper collection and transformation, further promoting the tremendous life-changing effects that community-based enterprises can have in rural areas.

Most Innovative Development Project Awards

ANSAB's "Biodiversity Conservation through a Community-Based Enterprise" approach was selected as the second best among the 180 proposals submitted from around the world at the Most Innovative Development Project (MIDP) Awards 2008 organized by the Global Development Network (GDN). The Award is granted to the institutions whose projects embody a fresh approach to an important development need and holds great promise for benefiting the poor in the developing and transition countries. After a final evaluation by an eminent panel of judges, ANSAB received the Award during GDN's 10th Annual Conference held in Kuwait on February 3-5, 2009. ANSAB is the first Nepali organization to be a finalist at Most Innovative Development Project Award so far.

NTFP Policy Advocacy

In 2009, ANSAB participated in numerous fora to improve forestry-related policy. It for example became member of a special task force put together by the Herbs and NTFP Coordination Committee (HNCC) of Nepal's Ministry of Forest and Soil Conservation (MoFSC). It was part of the management team that put together the Community Forestry International Workshop held in Pokhara on September 15 -18, 2009, and initiated a value chain analysis of selected NTFPs – Ritthaand Jatamansi – in collaboration with the Global NTFP partnership. It also organized



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Promotion of Value Chains

a) Bio-Briquette

ANSAB facilitated the establishment of Himalayan Green Energy Pvt. Ltd. (HGEPL), a national marketing company based in Kathmandu, to market the briquettes produced by community enterprises. The company is in part owned by the community enterprises themselves, in part by private investors. In 2009, HGEPL purchased a total of 93,585 briquettes from five community enterprises and sold them to more than 90 departmental stores, groceries, organizations and other outlets in Kathmandu. The company also sold more than 2,200 stoves. With these sales result, the company is already the most important distributor of bio-briquettes in Nepal. And thanks to their association with HGEPL, the community briquette enterprises were able to make a good profit from the production of their briquettes.

b) Soap Nut

ANSAB added Soap Nut (ritha) to its portfolio for the first time this year. It facilitated the establishment of new market linkages between Discover Nepal Pvt. Ltd., a NTFP exporter based in Kathmandu, and Malikarjun Natural Products Pvt. Ltd. (MNPPL), a community- based NTFP trading company ANSAB helped to set up in Darchula. As a result of this linkage,

MNPPL was able to sell 27 Mt of Ritha fruit to Discover Nepal at a premium price. Similarly, ANSAB facilitated a contractual agreement between Discover Nepal and HGEPL, allowing the latter to sell Ritha, Amla and Shikakai power in Kathmandu.

c) Allo

Allo is another recent addition to ANSAB portfolio. In 2009, the major focus was on resource assessment, marketing linkage, technology development, skill development training, coordination for leverage and exposure visit.

d) Handmade Paper

ANSAB facilitated the establishment of a partnership between Tibetan Handicraft, a handmade paper marketing enterprise, and two community enterprises in Myagdi. Under this partnership, the community enterprise staffs will be provided in-house training by Tibetan Handicraft to manage the operation and marketing of the products.

e) Essential Oil

In 2009, ANSAB provided advice and trainings on sustainable harvesting to four essential oil enterprises it previously helped to create in Dolakha, Sindhupalchowk and Parbat districts of Nepal. ANSAB technical support focused on business plan preparation and implementation, conflict management, record keeping and financial management and exposure visits of the enterprises.

f) Yarshagumba

ANSAB supported the formation of Yarshagumba Conservation Committees Bajhang and Darchula districts. It notably helped them develop operational guidelines and conservation activities.



PROJECT PORTFOLIO IN 2009

Nepal Center of Excellence in Rural Development

– May 1, 2009 to April 30, 2010

Funded by: blue moon fund (bmf)

The immediate goal of this project is to develop ANSAB as a Center of Excellence in practical application of rural development strategies for biodiversity conservation and economic development in Asia. Ultimately, the objective is to systematize and solidify ANSAB's approach to allow for its replication at a wider level.

Major activities for the first year included drafting and field validating toolkit modules, developing the delivery capacities of the Center and networking with government agencies and other development partners. More concretely,

the Center started to work on 8 modules and 5 training packages for study tours, compiled a roster of 120 experts on forest management and enterprise services and developed 3 discussions papers/presentations. Several meetings were also held with partners and high-ranking officials of the Minister of Forest and Soil Conservation (MFSC).

Design and setting up of a governance and payment system for Nepal's Community Forest Management under Reduced Emission from Deforestation and Degradation (REDD) – July 01, 2009 to June 15, 2010

Funded by: NORAD

Implemented in Partnership with: ICIMOD and FECOFUN



The broad objective of this project is to demonstrate the feasibility of REDD in community forest management. It seeks to evaluate how deforestation and forest degradation can be reduced by linking sustainable forest management practice with economic incentive. The project also focus on the concerns of the local communities dependent on forest, including indigenous and marginalized people, by involving them in the design and management of a national level governance and payment mechanism. Three watersheds in three different districts (Dolakha – Chandrawati, Gorkha – LutiKhola and Chitwan – KayerKhola) were selected for the fieldwork.

In 2009, progress followed the operational calendar and work was carried out successfully at the national level and in the three districts. Major activities included: hiring of project staff, orientation on REDD at national and watershed levels, development of information material, stakeholder consultations, preliminary watershed boundary survey, procurement of equipment and developments of data collection formats.

Forest Connect Nepal - December 2008 to July 2009

**Funded by: Food and Agriculture
Organization of the United Nations (FAO)**

This project aimed to reduce poverty for forest dependent people by connecting the country's Small and Medium Forest Enterprises (SMFEs) with each other (through a new network called Forest Connect Nepal) and with other like-minded organizations worldwide (through the already established Global Forest Connect network).

Project activities were geared toward strengthening SMFEs in a way that

their voices could be heard by relevant stakeholders such as policy makers, market actors and service providers. Main achievements included: documentation of the lessons learned from the Value Chain Analysis (VCA) of Jatamansi essential oil, organization of a national consultative meeting and of a follow-up roundtable to identify major challenges and barriers faced by SMFEs in Nepal, creation of a comprehensive electronic SMFEs directory, and regular update of a website (<http://www.ansab.org/fcn>) with relevant information and documents (case studies, study and project reports, manuals, proceedings, etc.).

Poverty Reduction through Crop Intensification in Rice Fallows & Promoting New Rice and Legume Variety Developed from Client Oriented Breeding Projects

Funded by: Research into Use (RIU)
Implemented in Partnership with: LIBIRD,
FORWARD, DoA, NARC, SUPPORT
Foundation and CAZS-NR

ANSAB is one of several implementing partners on these large, multidimensional projects that seek to improve the food security of the rural poor by improving the production and marketing of selected agricultural commodities. It is mainly responsible for conducting value chain analysis (VCA) for legumes and rice varieties in targeted district.

In 2009, ANSAB conducted VCA for 3 varieties of rice (coarse, fine and aromatic) and 3 varieties of legumes (Mungbean, Lentil, Chickpea) in the following 9 districts: Banke, Bara, Dhanusha, Kailali, Kaski, Morang, Rautahat, Rupandehi and Siraha. It then produced a detailed report which included several short term





and long term recommendations for the fulfillment of the projects overarching objectives.

Enhancing livelihood & Reducing Poverty of Mountain People by Linking High Value Products & Services (HVPS) to Value Chain Development

– December 2008 to December 2010

Funded by: FORD Foundation
Implemented in Partnership with:
International Centre for Integrated Mountain Development (ICIMOD)

This project focuses on generating employment opportunities and providing economic security for rural households involved in the business of two high value products and services (Ritha and Timur) in Darchula and Baitadi districts of Nepal. The main objectives are to increase economic benefits and reduce risks for small-scale primary producers. Targeted beneficiaries are rural communities living under extreme poverty. The key approach of the project is to integrate these poor and marginalized people in a broader and more sustainable value chain.

Outputs generated in 2009 were concentrated on pre-intervention appraisal and value chain analysis. Major activities included: organization of a multi-stakeholders consultation workshop, update of a pre-existing regional market survey and value chain report, provision of planning support to 10 producer/collector groups, identification of an appropriate exporter and subsequent linkage with communities, establishment of a marketing company, training on production management, quality control, marketing and activities related to tree registration.

Smallholder Irrigation Market Initiative (SIMI)

– October 2007 to September 2009

Funded by: USAID
Implemented in Partnership with:
Winrock International, IDE, SAPPROS, CEAPREAD, and AEC

This project is implemented by a consortium of different organizations. It was designed to sustainably increase the income of smallholder communities by building their capacity in four promising sub-sectors of rural Nepal, namely NTFPs, vegetables, goat keeping and fisheries. ANSAB was involved in the implementation of the NTFPs portion in Humla and Banke districts.

In 2009, main activities included: regular delivery of market information, linkage between buyers, local processing enterprises and rural communities, technical support for the preparation of CFUGs' business plans, training of collectors and traders, facilitating a partnership between manufacturers to set up a new distillation factory, disease pest management, and help with the formation of sub-group of NTFP collectors (who are mostly poor and disadvantaged member of communities) within the CFUGs. In total, ANSAB supported 73 CFUGs and sub-groups representing 1,541 households through this project.

Transforming Local Communities into Enterprises for Economic Security in Nepal

– August 1, 2007 to July 31, 2010

Funded by: FORD Foundation
The main objective of this project is to transform natural resource dependent

rural communities into commercially viable and sustainable entities generating employment and economic security. The project is being implemented in collaboration with local partners in nine districts of Nepal: Bhajang, Darchula, Baitadi, Humla, Parbat, Baglung, Myagdi, Dolakha and Sindhupalchowk. Major activities this year included enterprise oriented production and management of natural products; community resource centers and local capacity building; financing mechanism and services; value chain promotion and marketing linkages; as well as coordination and linkage with national exporters and machine suppliers for several NTFPs. In total, 286 formal activities (9,102 participants - including 3,174 women and 899 disadvantaged groups) were organized in addition to regular community support by project staff, helping the development of 566 enterprise entities (ultra-poor and women focused subgroups, micro-entrepreneurs, value-added processing enterprises and marketing enterprises) and 162 CFUGs.

Short Term Consultancies

α. Bamboo Resource Mapping and Feasibility Assessment for Pre-Processing Unit

– July to December 2009

Funded by: The Netherlands Development Organization (SNV)

The deliverable of this assignment was a bamboo inventory by source, species and volume between East and Central Terai regions of Nepal, as well as the proposal of three potential locations for establishing community-based bamboo pre-processing units for the prefabricated housing industry.

Various tools and techniques were used to accomplish the tasks. Major activities included: review of digital images for bamboo mapping, major markets surveys, meetings with district level actors, participatory assessment at community



level, biological assessment of bamboo on the field, as well as assessment with traders, factories and entrepreneurs.

b. Building Sub-National Capacities for Knowledge Development and Brokering on Pro-Poor REDD – July to December 2009

Funded by: The Netherlands Development Organization (SNV)

The deliverable of this assignment was communication material designed to raise awareness and knowledge about REDD at the community level. Major activities included: documents collection and review, consultations with stakeholders, production of the materials and testing at national and sub-national levels. ANSAB finally produced two posters and two brief reading material (one in Nepali and one in English for each).

c. Pipla Marketing Strategy for Bhutan November – December 2009)

Funded by: The Netherlands Development Organization (SNV)

The deliverable of this assignment was a unique and practical marketing strategy for internal trade and export of Bhutan's Piper Species (commonly called Pipla). The strategy had to focus on pro-poor development, i.e. be designed to improve livelihood through equitable benefit sharing.

Main activities included: collection of primary and secondary information through field visit, focus group discussion, stakeholders' consultation and a review of the literature produced by the Social Forestry Division, SNV, DzFO and other individual researchers. The final report made several recommendations at



the village, marketing committee and cooperative levels.

d. Strengthening Producer Organizations Toolkit Module

Funded by: International Institute for Environment and Development (IIED)

The deliverable of this assignment was a training module explaining the best practices to strengthen producer organizations based on ANSAB experience. This module is now part of a larger toolkit available to national institutions working to support small and medium forest enterprises. Main activities of the project included in-house data collection, drafting and validation with staff on the ground.

e. NTFP Harvesting Plan for ACA

Funded by: National Trust for Nature Conservation (NTNC)

ANSAB provided expert services for NTFP Inventory and preparing sustainable harvesting plans of NTFPs in the Annapurna Conservation Area. It has conducted the NTFP assessment in the field and facilitated to prepare harvesting of the commercial NTFPs at specific conservation area management units.

f. Hands on Training to Ladakh Society for Traditional Medicines

ANSAB organized a hands on training on Medicinal plants identification, in situ conservation, ex situ conservation, sustainable harvesting techniques to one representative (Mr.ThupstanChoszang) of Ladakh society for Traditional Medicines. During the training period from 17th April to 10th May, the representative visited Dolakha district where ANSAB is doing NTFP promotion. Similarly he visited various nurseries, botanical gardens as well to see the ex situ and in situ conservation practices.



PUBLICATIONS AND PRESENTATIONS

- 1 (2009). *Challenges and Opportunities for Nepal's Small and Medium Forest Enterprises*. ANSAB, FAO, Rome, Italy.
- 2 (2009). *Himalayan Bio Trade: Nature-Friendly Forest Products. The Time for Biodiversity Business*. IUCN, Gland, Switzerland. Page 7.
- 3 (2009). *Lessons learned in NFTPs certification*. ANSAB. Presented at: MAPPA regional expert consultation meeting, International Centre for Integrated Mountain Development (ICIMOD), Kathmandu, September 22- 23.
- 4 (2009). *Threat assessment and mitigation planning as a tool for community forest management activities*. ANSAB. Presented at: Global Conservation Program (GCP) Symposium, USAID and Woodrow Wilson International Center for Scholars (WWICS), Washington DC, USA, September 15 – 16.
- 5 (2009). *REDD Preparedness in Nepal*. ANSAB. Presented at: Global Conservation Program (GCP) Symposium, USAID and Woodrow Wilson International Center for Scholars (WWICS) , Washington DC, USA, September 15 – 16.
- 6 (2009). *Value chain and tenure incentives for conservation*. ANSAB. Presented at: Global Conservation Program (GCP) Symposium, USAID and Woodrow Wilson International Center for Scholars (WWICS) , Washington DC, USA, September 15 – 16.
- 7 (2009). *Community-based Conservation Enterprises in Nepal*. ANSAB. Presented at: Global Conservation Program (GCP) Symposium, USAID and Woodrow Wilson International Center for Scholars (WWICS), Washington DC, USA, September 15 – 16.
- 8 (2009). *GCP theme for effectiveness and sustainability, remaining challenges and way forward*. ANSAB. Presented at: Global Conservation Program (GCP) Symposium, USAID and Woodrow Wilson International Center for Scholars (WWICS), Washington DC, USA, September 15 – 16.
- 9 (2009). *Biodiversity Conservation through a Community-based Enterprise Approach in Nepal: A decade of testing and lessons learned*. ANSAB. Presented at: 13th World Forestry Conference (WFC), Buenos Aires, Argentina, October 18 – 23.
- 10 (2009). *Ecosystem services of Forests in Nepal and Uttarakhand Himalayas: opportunities and options for getting payment*. ANSAB. Presented at: 13th World Forestry Conference (WFC), Buenos Aires, Argentina, October 18 – 23.
- 11 (2009) *Transforming Community Forest User Groups for Economic Security of Poor and Improved Forest Management in Nepal*. Presented in first International community forestry workshop in Pokhara, Nepal.
- 12 (2009). *Forest Connect Alliance Initiative in Nepal – Improving the Links of SMFE*. ANSAB. Presented at: 13th WFC, Buenos Aires, Argentina, in side event by Food and Agriculture Organization, October 19.
- 13 (2009). *Design of Payment System for Nepal's Community Forestry under REDD Program*. ANSAB. Presented at: 13th WFC, Buenos Aires, Argentina, in side event by ICIMOD, October 23.
- 14 (2009). *Building Upstream-Downstream Linkages and Balancing Increased Demand with Environmental Conservation*, ANSAB. Presented at: International value chain workshop, ICIMOD and IFAD , Godavari Park Village, Godavari, November 10-11.
- 15 (2009). *Overview of Land Care Needs in the Himalayan Region*, ANSAB. Presented at: Launch of Landcare – South Asia Program, ICRAF, New Delhi, November 19-20.
- 16 De Gryze, S. ,Durschinger, L. with contributions from Koontz, A., Pandey, S., Subedi, B. (2009). *Payment for Ecosystem Services: Developing Forest Carbon Projects in Nepal*. Terra Global Capital, EnterpriseWorks/Vita, ANSAB, Washington D.C., USA.
- 17 Macqueen, D.J. (Ed.), Baral, S., Chakrabarti L., Dangal, S., du Plessis, P., Griffiths, A., Grouwels, S., Gyawali, S., Heney, J., Hewitt, D., Kamara, Y., Katwal, P., Magotra, R. Pandey, S.S., Panta, N., Subedi, B. and Vermeulen, S. (2009). *Supporting small forest enterprises – a facilitators toolkit*. IIED, Edinburgh, UK.

FINANCIAL REPORT

ANSAB's total revenue during the year was NRs 29.1 million, of which 73% was provided by donors, 18% accounted for grants-in-aid, 8% consisted of miscellaneous income and 1% was the result of foreign currency exchange gain. Similarly, ANSAB's total expenditure was NRs 26.6 million, of which project expenditure accounted for 70%, research and development for 13% and overhead for the remaining 17%.

ANSAB Balance Sheet

as on December 31, 2009

	FIGURES IN NRs	
	CURRENT YEAR	PREVIOUS YEAR
Non-Current Assets:		
Fixed Assets (at cost less depreciation)	462,531	1,193,356
Investment in CBEs as Seed Capital	500,000	500,000
Total Non-Current Assets	962,531	1,693,356
Current Assets:		
Cash and Cash Equivalents	28,928,060	19,495,463
Accounts Receivable from Donors	2,077,538	2,514,742
Prepaid Advances Accruals and Deposits	1,058,895	932,019
Less: Current Liabilities and Provisions	(6,676,052)	(4,573,558)
Net Current Assets	25,388,441	18,368,666
Total Assets	26,350,972	20,062,021
Represented by:		
Restricted Fund	10,226,454	6,475,266
Equity Fund	16,124,518	13,586,755
Total Funds	26,350,972	20,062,021

ANSAB Statement of Income and Expenditure

for the year ended December 31, 2009

	FIGURES IN NRs	
	CURRENT YEAR	PREVIOUS YEAR
Income		
Income from Donors for Projects	21,338,165	11,912,364
Grants-in-aid	5,170,788	8,728,934
Miscellaneous Income	2,312,967	571,377
Total Income	28,821,920	21,212,675
Expenditure		
Direct Project Expenditure	18,698,100	10,095,224
Research and Development Cost	3,314,622	4,302,536
General and Overhead Cost	4,580,234	5,767,067
Total Operational Expenditure	26,592,956	20,164,827
Surplus/(Deficit) from Operation	2,228,965	1,047,848
Foreign Currency Exchange Difference	308,798	2,905,543
Surplus/(Deficit) Transferred to General Fund	2,537,763	3,953,391

ORGANIZATIONAL PORTFOLIO

a. Approach

Economic incentives for biodiversity conservation are the cornerstone of ANSAB's approach. We believe that as people gain control of and benefit from natural resources, they become more motivated to protect them.

ANSAB abides by the following guiding principles and approaches while planning, implementing, monitoring and evaluating its program activities:

- **On the Ground Impact:** ANSAB believes in generating tangible impacts; its interventions are not only theoretical, but have been widely tested and applied on the ground at time where such efforts were otherwise minimal. They have now yielded demonstrable results, especially in the fields of economic development and natural resource management.

- **Innovation:** ANSAB has always strived to introduce innovative and effective ideas, approaches and methodologies to solve the related problems of rural development and biodiversity conservation. Over time it has acquired a solid local and international reputation, especially on the issues of community-based enterprise development and Non Timber Forest Products (NTFPs) management.

- **Sustainable Implementation**

Arrangements: ANSAB gives high priority to the sustainability of its approach and therefore always works with local partner NGOs that will be able to pursue the work once national and international funding comes to term. It also mobilizes Local Resource Person (LRP) and establishes Community Resource Center (CRC) to build the capacity of local communities.

- **Scientific and Indigenous Knowledge:**

ANSAB values indigenous knowledge and always test both traditional and modern scientific methods when implementing projects on the ground.

- **Multi-Stakeholders Facilitation and**

Networking: ANSAB works through a multi-stakeholders approach involving local collectors, entrepreneurs, traders, companies, service providers, government line agencies and donors in program planning. It believes in creating ownership and achieving organizational goals and objectives through joint partnership and collaboration. Our efforts till date have created a wider network of individuals and organizations devoted to implementing joint solution to rural development and biodiversity conservation. These networks can share best practices and work together to scale up successful projects. They also help to examine policy options and to provide recommendations to governments at all levels.

b. Donors and Implementation Partners

ANSAB works with a variety of donors and partners to effectively and sustainably implement its approach. Through its numerous past projects it has developed a network of partnerships with over 100 different institutions, including government and non government entities, national and international organizations, universities, private companies and research institutions. In 2009, ANSAB worked with following donors and partners:

Current Donors

1. blue moon fund (bmf)
2. The Ford Foundation (FF)
3. NORAD
4. United States Agency for International Development (USAID)
5. Food and Agriculture Organization (FAO)

6. Research into Use (RiU)
7. Global Development Network (GDN)

Current Partners

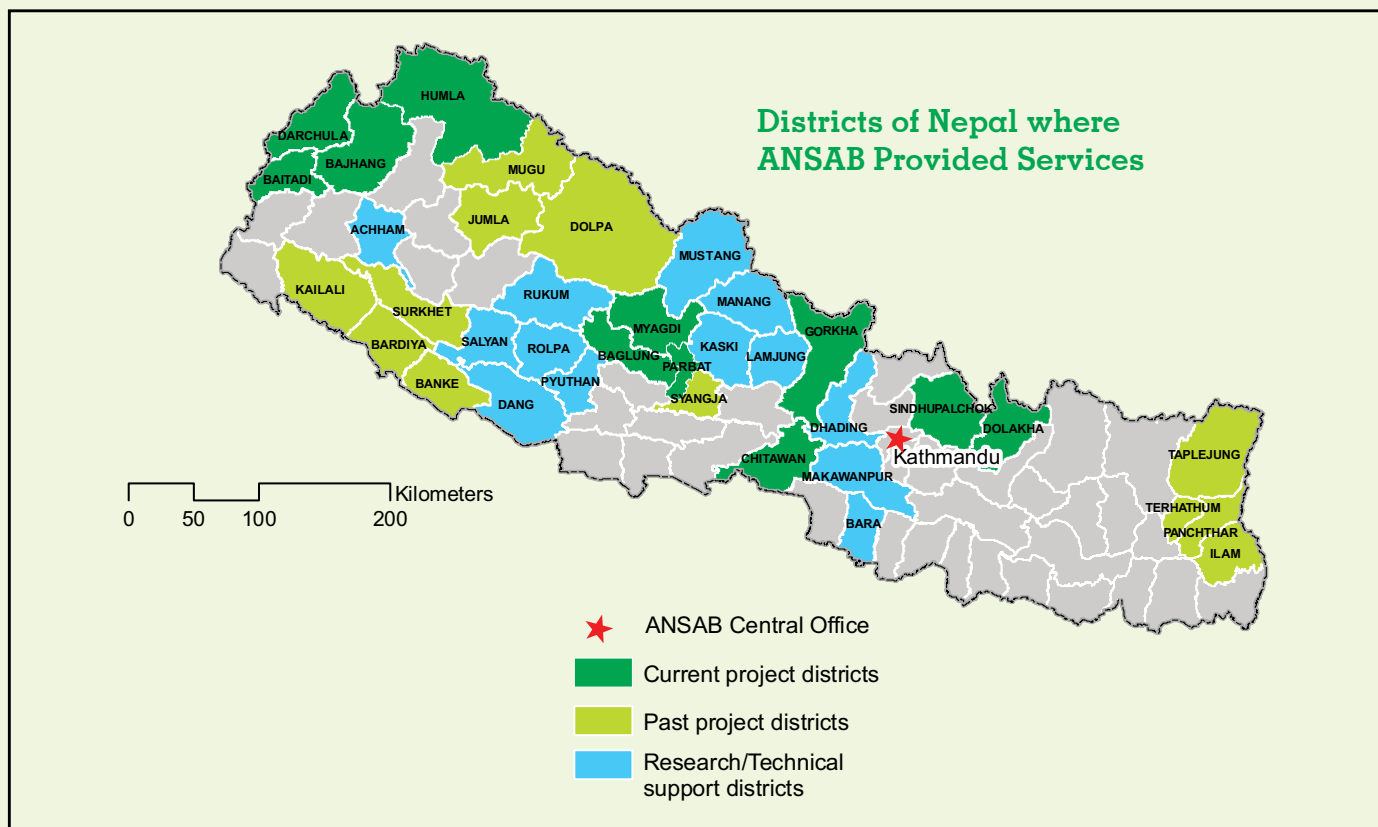
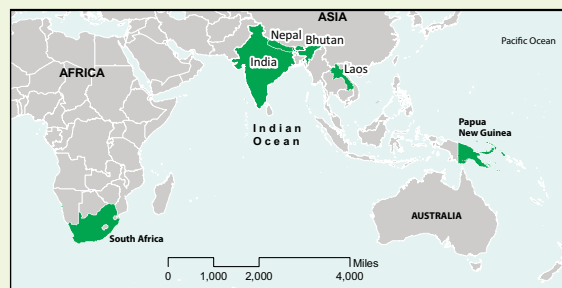
1. SNV –Bhutan
2. SNV - Nepal
3. ICIMOD
4. Winrock International
5. FORWARD
6. LIBIRD
7. Sustainable Enterprise, Environment and Women Awareness Society (SEWA)
8. BhimPokhara Youth Club (BYC)
9. Sustainable Approach on Natural Resource Management and Gender Awareness for Micro-Enterprises (SANGAM)
10. SDC (Social Development Center)
11. Markendeya Development Community (MDC)
12. HCDA (Himali Conservation and Development Association)

13. Sustainable Enterprise and Women Awareness Society (SEWA)

c. Geographic Coverage

In 2009, ANSAB implemented its program in 21 districts: Bajhang, Darchula, Baitadi, Humla, Parbat, Baglung, Myagdi, Dolakha, Sindhupalchok, Banke, Kailali, Kapilbastu, Nawalparasi, Rupandhehi, Dhanusa, Siraha, Bara, Morang, Kaski, Gorkha, Chitwan.

Countries where ANSAB Provided Services:





d. Board Members

ANSAB is governed by an international board of five to seven directors including noted economists, scientists, businesspeople, government representatives and leaders in environmental, economic, and social areas. In 2009, ANSAB was governed by the following members. The board was composed of the following members.

1. Dr. John William Croucher, Chairperson
2. Prof. S.P. Singh, Vice Chairperson – Advisor, SGRR Education Mission
3. Mr. David Hircok, Member – Herbalist, Estee Lauder Companies
4. Mr. Shankar Prasad Pandey, Ex-Officio Member – Secretary, Ministry of Agriculture and Cooperatives (MOAC),
5. Dr. Bishma Prasad Subedi, Ex Officio Member – Executive Director, ANSAB
6. Mr. Radhesh Pant – Member, Chief Executive Officer, Kumari Bank Limited

Team

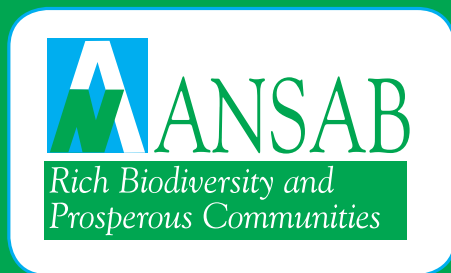
ANSAB has a team of dedicated and motivated professionals, working to achieve the shared vision of rich biodiversity and prosperous communities. ANSAB also works with a wide range of experts and consultants and has access to a roster of more than 200 experts. ANSAB staff and consultants have expertise in fields such as: natural products-based community enterprise development, business development services, value chain promotion, natural resource management, community forestry, forest certification, sociology, environmental science, economics, marketing, biodiversity research, biological and socio-economic monitoring, networking, policy analysis, research, finance and accounting. In 2009, the following staff members contributed to achieving the organization's goals:

Headquarters Based Staff

1. Bishma P. Subedi, Executive Director
2. Kiran Chandra Adhikary, Manager – Finance and Administration
3. Sushil Gyawali, Manager – Economic Development Program
4. Shiva S. Pandey, Manager – Natural Resource Program
5. Kiran Timalina, Manager – ANSAB Resource Center
6. Puspa Lal Ghimire, Program Officer, Enterprise Development/Value Chain
7. Nabaraj Panta, Program Officer, Enterprise Development
8. Prakash Katwal, Program Officer, Enterprise Development
9. Ajay Pandey, Program Officer, Natural Resource Management
10. Sanjeeb Bhattarai, Research Officer (Data Analyst)
11. Tibendra Raj Banskota, GIS Officer
12. Reejuta Sharma, Communications Officer
13. Bhuwan Dhakal, Documentation Officer
14. Shambhu Charnakar, Forestry Officer
15. Rijan Tamrakar, Forestry Officer
16. Neha Shrestha, Administrative Associate
17. AnjuKatuwal, Account Assistant
18. Uddhab Adhikari, IT Officer
19. Sweeti Thapa, Receptionist
20. Binod Shrestha, Messenger/Store Keeper
21. Ravi Khatri, Driver
22. Dil B. Gurung, Guard
23. Nani Maya Gurung, Sweeper
24. Swosthani Gurung, Office Helper

Field Based Staff

25. ChandikaAmgain, Enterprise Development Officer
26. GovindaBaral, District Coordinator - Bajhang
27. Indra Adhikari, District Coordinator - Myagdi
28. Gopal P. Sharma, District Coordinator - Parbat &Baglung
29. Pashupati Lal Subedi, Field Coordinator - Dolakha
30. BalkrishnaNeupane, Field Coordinator - Bajhang
31. Amrit Bilash Panta, Forest Technician (Chitwan)
32. Chandra Man Shrestha, Forest Technician (Chitwan)
33. Deepak Charnakar, Forest Technician (Dolakha)
34. SukbirThami, Forest Technician (Dolakha)
35. RanaBahadur B. K., Forest Technician (Gorkha)
36. Niranjana Thapa, Forest Technician (Gorkha)



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