



ANSAB

Rich Biodiversity and
Prosperous Communities

Annual Report 2011



**Asia Network for Sustainable Agriculture
and Bioresources (ANSAB)**

Message from the Executive Director:

Dear Partners, Donors and Friends,

It is my pleasure to present ANSAB annual report 2011 that highlights our activities, achievements, and financial situation. We implemented eight projects and the economic entities developed and strengthened by our programs reached to 1,165 last year. Our detailed impact tracking system shows that these economic entities generated an annual monetary benefit of US \$7.91 million, benefitting 84,120 economic participants in 2011. A total of 101,055 hectares of forest and meadow areas was also brought under improved community management by 2011.



Since last some years, we have been working on understanding how the evolving global carbon markets and the payment for ecosystem services could be incorporated into conservation and poverty alleviation strategies. Last year, with the REDD+ pilot project, a Forest Carbon Trust Fund was established, and a payment of US \$95,000 was made to the community forest user groups in three watersheds. This pilot fund and the payment are the first of its type in Nepal and the lessons from this will guide for the kind of governance system required to implement REDD+ at the national level in the country. From 2011, we also started implementing a multi-country pilot program with Forest Steward Council to research and field-test on how to evaluate and reward the provision of critical ecosystem services. The project is being implemented in four countries – Indonesia, Chile, Vietnam and Nepal – and ANSAB is taking lead for the Nepal part. The project will develop national indicators for the management/monitoring of ecosystem services, and a viable business model for rewarding the provision of ecosystem services.

In last some years, we have also envisioned establishing ANSAB as a Center of Excellence in Rural Development. Along with the continuation of disseminating our knowledge through the Rural Development Toolkits and customized service packages, we have initiated towards establishing some experimentation and demonstration centers to test and share our ideas on ground. Furthermore to consolidate our approach, we have begun some more activities in 2011; we have designed program for sustainable and equitable exploitation of high value NTFPs in the rural Karnali region after a few years break; we facilitated the establishment of Nepal Briquette Producers Association for the development of sustainable and professional business system in briquette sector; and we facilitated the formation of a policy-working group to build SMFEs' capacity to lobby for their favorable policies. In coming years, we believe that our programs and activities are further strengthened and supported by our rich network, refined approach, and readily available experimentation and demonstration centers. We will continue working with our partners for delivering programs on community-based and enterprise-oriented approach for biodiversity conservation and livelihood improvement of the rural poor in the region.

Finally, I would like to take this opportunity to thank our donors, partners and supporters for your good cooperation and confidence during the whole year. I appreciate our capable staff members, Board of Directors and Advisory board members for their continued dedication to rich biodiversity and prosperous community.

Bhishma P. Subedi, Ph.D
Executive Director

Introduction

Asia Network for Sustainable Agriculture and Bioresources (ANSAB) is a civil society organization committed to biodiversity conservation and livelihood improvement in South Asia. Since its establishment in 1992, the organization has been putting community empowerment and economic incentives at the heart of its approach with a belief that as people benefit from natural resources they become more motivated to conserve them. ANSAB has been implementing a variety of innovative solutions in line with this core conviction, such as the creation of enterprises based on the sustainable use of natural resources, especially Non Timber Forest Products (NTFPs), the introduction of certification mechanism, especially Forest Stewardship Council (FSC) certification, and the establishment of payment-

schemes for environmental services, especially Reducing Emissions from Forest Conservation, Sustainable Management of Forests and Carbon Stock Enhancement (REDD+).

ANSAB has a focal position in the field through its work for about two decades in ecological, technological, economic, and socio-cultural fronts associated to people-centered conservation, management, and use of biodiversity, especially NTFPs and high value agricultural commodities. ANSAB has been consistently evolving, consolidating, institutionalizing and advancing the approaches and strategies for the promotion of community-based enterprises and value chains, natural resources management and biodiversity conservation, enabling policy environment and multi-stakeholders collaboration.

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. Bhishma Subedi receiving the Champions of the Asia Pacific Forests award 2011. The prize was awarded by the Food and Agriculture Organization (FAO) of the United Nations in November 2011 in China.

Program Focus and Approaches

ANSAB program focus includes:

Pro-poor Economic Development: Natural products-based enterprise development and value chain growth for the benefits of the rural poor.

Biodiversity, Ecosystem Services and Climate Change: Sustainable forest management and biodiversity conservation through advancement in community forestry, economic incentives, payment of ecosystem services, forest certification and good governance.

Policy, Research and Networking: Enabling policy environment through studies, networking and multi-stakeholders collaboration.

Capacity Building and Services: Research, capacity building, information and business development services.



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



Measurable Impact: ANSAB interventions have been widely tested and applied on the ground. Outcomes are meticulously quantified and compiled through a thorough Impact Tracking System (ITS).

Millennium Development Goals (MDG): ANSAB programs contribute to the United Nations key objectives for development, more specifically to “Eradicate Poverty and Hunger”, to “Promote Gender Equality and Empower Women” and to “Ensure Environmental Sustainability”.

Innovation: ANSAB believes in continuous learning and is constantly testing new ideas, approaches and methodologies to better achieve its mission.

Sustainable Implementation: ANSAB builds partnership with local NGOs/CBOs that will be able to pursue the work once national and international funding comes to term. It also mobilizes Local Resource Persons (LRPs) and establishes Community Resource Center (CRC) to build the capacity of local communities.

Scientific and Indigenous Knowledge: ANSAB values indigenous knowledge and combines both traditional and modern scientific methods when implementing projects on the ground.

Private-Public Collaboration: ANSAB works through a multi-stakeholders approach involving all relevant actors (local producers, harvesters, entrepreneurs, traders, companies, service providers, government line agencies, donors, etc.) in program planning and implementation. It believes in creating hybrid private-public ownership structures and achieving objectives through joint partnerships and collaborations.

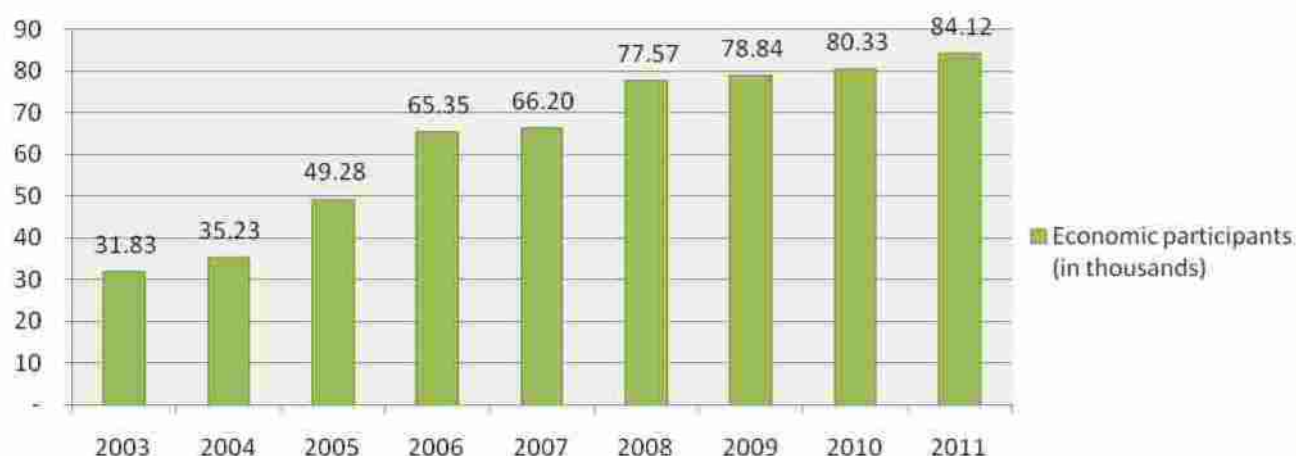
Facts and Figures of 2011

ANSAB measures its effectiveness on the ground through a detailed Impact Tracking System (ITS). Specific outcomes of its programs are measured in terms of monetary benefits to primary producers and collectors, degree of economic participation in the value chain, forest area under improved management, and capacity building and training activities benefitting local communities. The ITS data tracks ANSAB's program level annual achievements and impact of interventions, and provides information and analysis of program performance, impacts and economic distribution of benefits within the value chains.

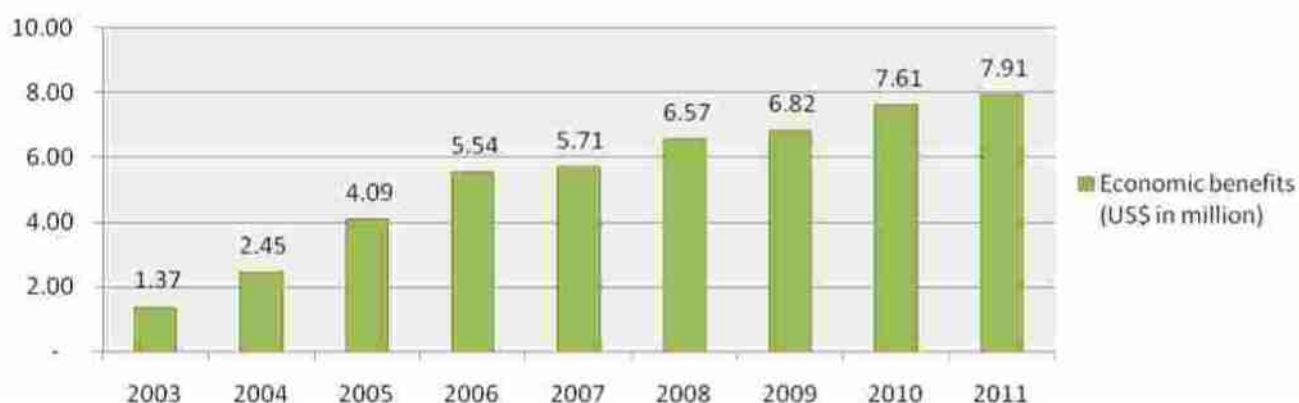
In 2011, through ANSAB's intervention:

84,120 economic participants were able to generate US \$7.91 million in annual monetary benefits; and

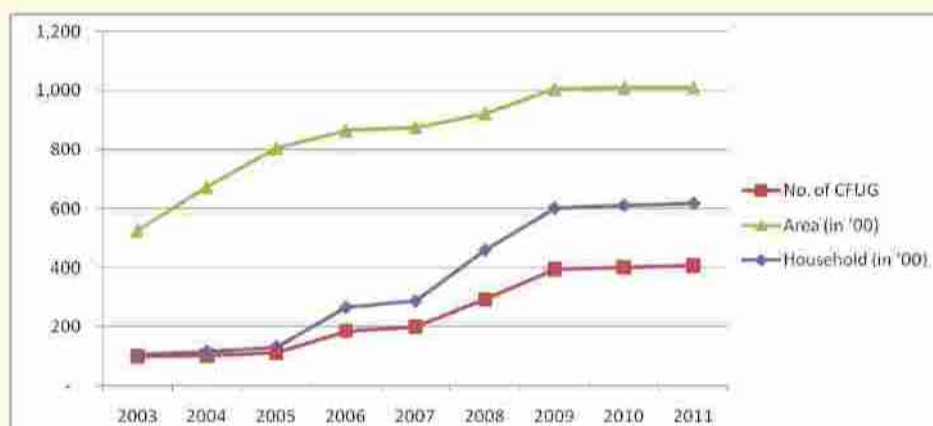
Annual Economic participants in ANSAB programs



Annual Economic benefits from ANSAB programs



101,055 hectare of forest and meadow areas was brought under the improved community management of 407 Community Forest User Groups (CFUGs), representing 61,755 households (HHs).



Community-based REDD+ pilot program in Nepal: Incentive for climate change mitigation and forest conservation measures

Payment for Ecosystem Services, REDD, REDD+, and the evolving global carbon markets; understanding how each can be incorporated into conservation and poverty alleviation strategies has been one of the goals of ANSAB. ANSAB in partnership with the International Centre for Integrated Mountain Development (ICIMOD) and the Federation of Community Forestry User's Nepal (FECOFUN), and with funding from the Norwegian Agency for Development (NORAD) has been implementing a community based REDD+ pilot program to set up a national demonstrational governance and payment system for emission reduction through sustainable forest management. The project is being implemented in three different geographical regions of Nepal namely Khayarkhola watershed of Chitwan, Ludikhola watershed of Gorkha and Charnawati watershed of Dolakha Districts, that covers 10,266 ha of tropical to temperate landscapes managed by 104 Community Forestry User Groups (CFUGS). The specific objectives of the project are strengthening the capacity of civil society actors in Nepal to ensure their active participation in the planning and preparation of national REDD-

strategies, establishing a Forest Carbon Trust Fund (FCTF) that is sustainable and creditable in the long run and contributing to the development of REDD strategies that can effectively and efficiently monitor forest carbon flux in community managed forests. The project also aims to assess and establish the baseline value of watershed level forest carbon stock and to calculate forest carbon of individual community forest to support carbon payment. The major approach of this project is learning from piloting and demonstrating on various REDD+ related activities (such as baseline information collection, forest carbon measurement and benefit sharing mechanism, capacity building, forest carbon measurement, field testing and demonstration) as well as to contribute in National REDD+ policy process, for demonstrating the feasibility of REDD payment mechanism in community forests. Further the project has focused on the concerns of indigenous, marginalized people and local communities dependent on forests by involving them in designing and functioning of a national-level REDD governance and payment mechanism that supports community forestry at grassroots level.





Under the capacity building activities of the project, local communities have been trained to measure carbon stocks, and thus developed technical skill within the local community. Outreach-materials have been developed on capacity building and institutionalizing REDD mechanism in Nepal. Many CFUGs within the watersheds have internalize the REDD provisions to include in their Community forests constituency and operational forest management plans (OFMP). The Communities have initiated many activities to enhance the forest carbon stocks in the forest through promoting alternative energy in all the three watershed at household level particularly biogas and improved cooking stoves, enrich plantations through fire prevention, controlled grazing and fodder development measures, resulting till 2011 the carbon stock of these three community forests increased by 27391.6 ton carbon which is equivalent to 100,435.8 tons of Carbon dioxide(CO₂) gas while sequestering the carbon within the range between 1.32 t ha⁻¹ yr⁻¹ and 5.31 t ha⁻¹ yr⁻¹ thus it is clear that these community managed forests covering close to 7.5 million ha area in the Himalayan region are major sinks.

The project has established the Forest Carbon Trust Fund (FCTF) and benefit sharing mechanism which is supposed to be the foundation for developing national REDD+ strategy. On June 14, 2011, FCTF was formally established with a US \$100,000 seed grant from NORAD by a multi-stakeholder task force that comprised the members from Government's REDD Forestry and Climate Change Cell, Ministry of Forests and Soil Conservation, Nepal Federation of Indigenous

Nationalities (NEFIN), ANSAB, ICIMOD, FECOFUN, and Joshi and Bhandari Company. FCTF distributed US \$95,000 last June among the three watersheds based on four basic elements established by the task force: 1) the quantity of forest carbon saved above the baseline, 2) the number of households of indigenous peoples and minority groups, 3) the female population and women, and 4) the number of poor households within the project area. Based on these elements, Charnawati watershed received \$ 45,534.93, Kayarkhola received \$21,904.94 and Ludikhola watershed received \$27,560.13. Once the fund was released to each of the watersheds, the amount of the reserve fund at each watershed was determined by the watershed level FCTF advisory committee decided the amount of reserve fund (Ludikhola kept a reserve fund of NRs. 150,000 (US \$2,142.86), Kayarkhola NRs. 100,000 (US \$1,428.57) and Charnawati kept NRs. 100,000 (US \$1,428.57)). Remaining money has been distributed among CFUGs in Ludikhola, however, Kayarkhola FCTF advisory committee has retained half of the money and distributed only half fund. Major reason for retaining half of the distributable fund was to ensure that CFUGs performed activities as per the plan. The CFUG has to spend the money on activities that reduce deforestation and forest degradation. The activities should include alternative energy promotion, conservation of forest carbon stocks, Sustainable management of forest, biodiversity conservation, enhancement of forest carbon stocks, poverty reduction/livelihood improvement activities, forest carbon monitoring, awareness raising and capacity building on REDD and climate change, and auditing of FCTF and verification of data.



Forest Stewardship Council (FSC) Certification: Expanding at landscape level through incorporating additional ecosystem services

Payment of Ecosystem Services (PES) is emerging as an important market-based solution to global efforts for climate change mitigation, biodiversity conservation and poverty reduction. There are emerging markets for ecosystem services, for example - forest carbon in the “voluntary” markets. But the business transactions for these services severely suffer from a lack of credibility and transparency. One of the reasons for this could be the lack of “instrumentation” developed for these markets. As, Nepal has gained a unique experience in group certification for forest management, such as those being awarded by Rainforest Alliance/Smartwood (FSC), as well as forest based enterprises certification awarded under ‘Chain of Custody’ (FSC), it is extremely relevant that Nepal should now explore the potential of enhancing the economic and environmental benefits through expanding forest certification by incorporating additional ecosystem services.

In this perspective, ANSAB joined hands with United Nations Environment Programme (UNEP) and FSC to develop a multi-country project “expanding FSC Certification at Landscape level through Incorporation Additional Ecosystem

Services (ForCES)” to be implemented with Global Environmental Facility GEF grant and co-finance of various partners with the goal to improve and promote responsible forest management for a range of ecosystem services through the medium of FSC Certification. The aims of project is to incorporate expanded and enhanced global and national environmental standards of FSC certification which are applied to emerging markets for biodiversity conservation and ecosystem services as an initial step for upgrading successful models in order to improve ecosystem functions. The project (September 2011- August 2015) is being implemented in 4 countries namely, Nepal, Vietnam, Indonesia and Chile. This project is being executed by UNEP and FSC with various national and international partners.

In Nepal, the project is being implemented in two landscapes of Dolakha district namely, Charnawati (approx. 45,500 ha) and Gaurisankar (approx. 76,290 ha) encompassing 26 VDCs and 1 municipality and representing 15 ecological zones. The major ecosystem services considered in these two pilot sites are tourism, carbon enhancement, hydrological services, disaster risk reduction and NTFPs.

As Nepal is moving toward ecosystem service markets and climate change initiatives, this project will have important contribution to build national capacity in these directions. Activities of this pilot project will not only avail technical and financial support to the pilot project area but also help in providing guidance to the policy makers and stakeholders to create rules, laws, regulations, and policies. The project anticipates achieving following outcomes during four years of its implementation

- Nepali national standard / indicators developed for ES certification
- Viable business model defined for marketing ecosystem services delivered at site level
- System pilot tested at two sites – Charnawati and Gaurishakar
- Monitoring system established for assessing project and long term impact
- Increased awareness and capacity of stakeholders for ecosystem services certification

Value chain-based approach: Promoting market-based solutions for SMEs competitiveness

ANSAB has been developing and applying new approaches to promote natural products-based enterprises and value chain interventions in Nepal. ANSAB combines the strength of value chain analysis with the promotion of sustainable, market-based solutions that respond to the recurrent needs of small and medium enterprise. Value chain approach gains a greater understanding of the operating context for SMFEs with the selection of a value chain with the greatest potential for growth, identification of key issues hindering growth and competitiveness in the value chain, identification assessment of market based solutions, and identification and selection of facilitation activities to implement the solutions. The approach is also important in understanding markets, inter-firm relationships, and critical constraints that limit SME growth and competitiveness, while market-based, commercially viable solutions can result in solutions that are sustainable in the long run and that do not distort local markets.

ANSAB has applied the value chain approaches in its program design and intervention for promoting Small and medium enterprises (SME) and other small holder sectors in Nepal. On the products wise, ANSAB has carried out value chain analysis of NTFPs (including Jatamansi and wintergreen) and high value agricultural products in Nepal that has mapped the nature, wealth and power dynamics of these sectors. These analyses have

found that improved coordination among Nepali regulatory bodies, a reduction in overlapping jurisdictions among Nepali agencies with regards to NTFP promotion, harvesting, and processing, as well as more reasonable tax rates would reduce transactions costs within the value chain. ANSAB's expertise in value chain approach has also been used by the leading organizations in the sectors for program design and intervention that in turn would promote more enterprise start-ups and help to make the products more competitive in world markets.

In 2011, ANSAB provided its support in conducting value chain/market assessment of NTFPs and off-season vegetables for the SNV Netherlands Development Organization/Nepal Ginger Producers and Traders Association and Vegetable Development Directorate, Nepal Economic Agriculture and Trade (NEAT) Activity, a USAID funded contract that is being implemented by Chemonics International Inc., and SNV Netherlands Development Organization/ Ministry of Agriculture and Cooperatives, Government of Nepal's High Value Agriculture Project (HVAP) (Please refer short term studies and activities of this report for more details on these studies). These studies provided insights into the Programs for intervention designing and program implementation to increase the competitiveness of smallholder enterprises.

ANSAB in Papua New Guinea: Technical assistance to replicate its enterprise model

In 2011, ANSAB through its handmade paper technician - Mr. Palden Sherpa, provided a 45 days training for the local communities in Papua New Guinea (PNG) to make handmade paper in the country. Mr. Sherpa was in PNG from last week of August to the mid October, 2011 in invitation of PNG's leading retail/wholesale organization – City Pharmaceutical Limited (CPL) to reproduce ANSAB's working experience in Nepalese handmade paper in the country. ANSAB's technical service to PNG came into effect after ANSAB and CPL developed a partnership in 2010 for a fact finding mission in PNG to initiate pilot projects within local communities to conserve forest resources and maintain ecosystem services and make communities take steps to responsible harvesting of their natural resources. ANSAB will also be providing its expertise to CPL to identify enterprise options for communities and design interventions for community enterprises development and environmental conservation. ANSAB will also work with CPL to find markets for the finished products.



Forest Connect Nepal: Reducing poverty by linking SMFEs with national forest programs, markets and service providers

Small and medium forest enterprises (SMFEs) are imperative to the poor as they generate local wealth, help secure local resources and environmental accountability, and facilitate to preserve indigenous cultures and market niches. But while the number of SMFEs starting up is high, keeping them going sustainably is a major challenge in developing countries. This is because SMFEs face several problems such as insufficient business knowledge, difficulties in accessing credits marketing information and technology, lack of bargaining power. Moreover, SMFEs in developing countries face problems as too much bureaucracy, unstable policies and regulations and insecure land rights for their sustainability. In this context, the Food and Agriculture Organization of the UN (FAO) and the International Institute for Environment and Development (IIED) have developed an approach to help increase the social, economic and environmental sustainability of the SMFEs and their associations by connecting them with national forest programs, emerging markets and service providers. It currently has active programs in 11 countries: Burkina Faso, China, Ethiopia, Ghana, Guatemala, Guyana, India, Laos, Mali, Mozambique and Nepal. The overall goal of the Forest Connect is “to substantially reduce poverty for forest-dependent people in key partner countries by increasing the number of successful and sustainable small forest enterprise associations”.

The Forest Connect initiative in Nepal is being implemented by ANSAB since August 2007. ANSAB acts as a national hub for the Forest Connect in Nepal and has completed the four years of Forest Connect Nepal (FCN) program. FCN's efforts are directed to contribute to the overall goal of the Forest Connect. The goal of FCN is to strengthen SMFEs in Nepal, increase the visibility of SMFEs, and promote the level of organization and connectedness of SMFEs among each other and with markets, service providers and policy processes. In order to achieve the objectives of the Forest Connect Program in Nepal, from 2007 to 2010, ANSAB together with the FAO has conducted a diagnostic study on SMFEs and their associations within Nepal, prepared web directory of SMFEs, prepared directories of critical services and service providers for SMFEs and CFUGs, conducted value chain study of Jatamansi, prepared FCN website, examined major issues faced by SMFEs, and initiated national level association of producer groups and community enterprises by capacitating Nepal Herbs and Herbal Products Association (NEHHPA). In addition, in the three years, ANSAB

has built and strengthened networks working in SMFE sector which have been helpful in avoiding duplication of the work in the sector, provided strategic inputs on SMFEs and NTFPs to the government through Nepal NTFP Network (NNN) meetings and High level Herbs and NTFP Coordination Committee (HNCC), and shared news, events and issues related to SMFEs and related organizations working in the sector through its website and newsletter. These activities have been successful in improving accessibility of information to SMFEs and stakeholders, improving understanding for linking SMFEs to policy makers, markets and service providers, and strengthening network among facilitating organizations.

In 2011, ANSAB in order to increase the level of organization and connectedness of SMFEs to markets, service providers and policy processes, shared information, knowledge and lessons learnt on SMFEs among stakeholders, facilitated the establishment of the Nepal Briquette Producers' Association and formed the policy advocacy group to build the capacity of SMFEs.



SMFE Policy Working Group: Building SMFEs' capacity for policy advocacy

Promotion of Small and medium forest enterprises (SMFEs) is one of ANSAB's core concerns and we have worked with key stakeholders from grassroots to policy makers to further improve the policy development process, provisions and their implementation. Policy and regulatory environment has important role in promoting SMFEs, however there are many unsolved policy issues specific to the sector. To list some, enterprise registration, taxes, royalties, commercialization, environmental impacts, export formalities, harmonization in policies, gap between policies and practices, supporting programs and priorities, labor issues, etc. are limiting the promotion of SMFE sector in the country. In this regard, ANSAB has recognized that these issues can be better addressed through capacitating SMFEs on the advocacy part.

In 2011, ANSAB formed a policy working group in consultation with entrepreneurs, journalists, development persons and representatives from different associations and Federations involved in SMFE sector. The consultation focused on the national policy issues related to the sector, and discussed on building the capacity of the stakeholders for policy advocacy. A seven member policy working group was unanimously elected with following members to build a constituency with concerned interest groups and institutions:

1. Govinda Ghimire, President, Nepal Herbs and Herbal Products Association (NEHHPA)
2. Pradeep Maharjan, CEO, Agro-Enterprise Center, Federation of the Nepalese Chamber and Commerce (FNCCI)
3. Devendra P. Dhakal, Chairman, Herbal Entrepreneurs Association of Nepal (HEAN)
4. Ramu Subedi, Services Support Unit Management Team Leader at Multi Stakeholder Forestry Program, Swiss Agency for Development and Cooperation (SDC/SSU)
5. Bal Bahadur Rai, National Executive Committee Member- Eastern Development Region, FECOFUN
6. Harihar Sigdel, Head, Planning Division, Department of Forest, Government of Nepal
7. Puspa Lal Ghimire, Manager, Pro-poor Economic Development Program, ANSAB

The advocacy group has disseminated the current issues related to SMFEs to relevant stakeholders, and will prepare policy briefing with specific recommendation in order to build the constituency with concerned interest groups and institutions to lobby for policies that safeguard the interest of community based, environmentally friendly SMFEs.

Nepal Briquette Producers Association: towards sustainable and professional business system for briquette sector in Nepal

In Nepal, there are significant numbers of briquette enterprises in different parts of the country. The enterprises have taken considerable efforts to enhance production and marketing of briquettes for more than a half decade. However, these efforts are unsuccessful because they are taken at individual levels by the enterprises, which are themselves distributed in different parts of the country. The performance of this sector on the other side however can be increased in Nepal, as briquette is being used by the general public as an alternative to electricity and imported fuel. In 2011, ANSAB worked with the major briquette producers of the country to address the issues and challenges, and to increase the opportunity of the sector.

ANSAB established communication with the major briquette producers in the country. It then organized a meeting with the producers, including a Government Forest Officer and ANSAB's legal advisor. The meeting of the producers decided to form and register Nepal Briquette Producers' Association as an apex body for the promotion of the briquette sector in Nepal, and finalized the structure and constitution of the association. The association will be a membership based organization that will be governed by an executive committee elected democratically through general assembly. The constitution of the association vests the executive committee with the authority to make policy, manage the affairs of the association and to formulate and implement the policies. The assembly is the entity representing the individual members in the affairs of the association, and comprising of representatives from the member briquette producers. Major decisions are made through formal procedures based on majority vote or consensus. The executive committee also

involves leading the association and its members to find their common values, interests, and goals.

The briquette producers unanimously elected a seven-member executive committee, and developed a year work-plan of the Association. The developed work plan includes the registration of the Association, formation of quality control committee, preparation of guidelines on production technology, research on binding/ignition materials and technology, coordination with government and non government organizations, resource mobilization of the association, entrepreneurship development, area diversification and exposure visit within the first year, which the briquette producers of the country believes will guide for building a sustainable and professional business system for the benefit of the briquette producers and the sector.



Project Portfolios

1. Design and setting up of a governance and payment system for Nepal's Community Forest Management under Reduced Emission from Deforestation and Degradation (REDD)

Funded by the Norwegian Agency for Development Cooperation (NORAD), the project "Design and setting up of a governance and payment system for Nepal's Community Forest Management under Reduced Emission from Deforestation and Degradation (REDD)" is being implemented in partnership with the Integrated Center for Mountain Development (ICIMOD) and Federation of Community Forestry Users, Nepal (FECOFUN). The project (July 2010 - June 2012) has the main goal to set up a national demonstrational governance and payment system for emission reduction through sustainable forest management which benefits local communities. The project is being implemented in three watershed areas of three districts – Dolakha, Gorakha, and Chitwan in Nepal.

2. Expanding forest stewardship council (FSC) certification at Landscape level through incorporating additional ecosystem services

Funded by United Nations Development Program (UNDP) - Global environmental facility (GEF) and Forest Stewardship Council (FSC), the project is being implemented in partnership with National Trust for Nature Conservation (NTNC), FECOFUN and Relief International. The project (September 2011-August 2015) aims to enhance global and national environmental standards applied to emerging market for Biodiversity conservation and Ecosystem services as an initial step for advancement of successful model of FSC certification, and is implemented in two watershed areas of Dolakha district; namely Gaurishankar watershed area and Charnawati watershed area.

3. Forest Connect Nepal

Funded by Food and Agriculture Organization of the United Nations (FAO), the first year of the second phase of Forest Connect Nepal (FCN) project was implemented from March 2011 to November 2011. FCN has the objective to increase the visibility of specific small and medium forest enterprise (SMFE) sector within Nepal, and to increase the level of organization and connectedness of SMFEs to markets, service providers and policy processes. During this phase of FCN project, ANSAB facilitated to establish Nepal Briquette Producers' Association, formed the policy advocacy group to build the capacity of SMFEs, and shared information, knowledge and lessons learnt on SMFEs among stakeholders.

4. Examining the implications of REDD Payments on Livelihoods and Local Economic Development in Nepal

Funded by South Asian Network for Development and Environmental Economics (SANDEE), this research study (January 2011 to June 2013) analyses the impact of the pilot REDD payment project that would be helpful in deciding whether the REDD program can be scaled up at the national level while ensuring that it is carbon effective, cost efficient, equitable and capable of producing co-benefits to the local community.

Short term Studies and Activities

1. Value chain analysis and value chain baseline assessments of Timur, Off Season Vegetables, Turmeric and Meat Products in Mid and Far-Western Development Regions of Nepal

ANSAB carried out this study for the SNV Netherlands Development Organisation/ Ministry of Agriculture and Cooperatives, Government of Nepal's High Value Agriculture Project (HVAP) in hill and mountain areas to: a) analyse value chains of timur, goat meat, turmeric and off-season vegetables (particularly tomatoes, green bean/pea pod, cauliflower and cabbage) and b) assess the value chain baseline of these products in the project districts and major market centers. The study was undertaken to provide sufficient basis for understanding the current status and the future potential of the four value chains, and to identify specific bottlenecks and opportunities for increasing production, income and employment of rural poor that can be addressed through the project interventions. The study was conducted in seven districts of Nepal - Surkhet, Dailekh, Kalikot, Accham, Jumla, Salyan and Jajarkot.

2. Value chain/market studies for Orthodox Tea, Ginger, Lentils and Off Season Vegetables

ANSAB provided its support to the Nepal Economic Agriculture and Trade (NEAT) Activity, a USAID funded contract that is being implemented by Chemonics International Inc. ANSAB carried out in-depth value chain/market assessments of the four agricultural commodities – Orthodox Tea, Ginger, Lentils and Off-season vegetables to provide insights into the Program for intervention designing and program implementation for the NEAT Activity.

3. Biotrade and Green Economy Week in Nepal

ANSAB in partnership with the United Nations Environment Programme (UNEP), Nepalese Ministry of Commerce and Supplies (MOCS), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and International Center for Integrated Mountain Development (ICIMOD) organized Biotrade and Green Economy week in Nepal from May 31 to June 3, 2011 as part of UNEP's Capacity Building for Biotrade Project (CBBT). The Biotrade and Green Economy week was organized with the aim to identify potential areas of investments and relevant policies for sustainable and profitable trade of natural products.

4. Value chain analysis of Ginger subsector in Nepal

This study was carried out for the SNV Netherlands Development Organization/Nepal Ginger Producers and Traders Association and Vegetable Development Directorate to provide sufficient insight into the activities of the ginger value chain actors, service providers and supporting institutions so that concerned stakeholders can provide support to upgrade the sub-sector to a more productive and effective sector with a mature role by the private sector. The study has covered value chain actors, service providers and facilitating organizations, market, policy environment, chain structures and value chain governance.

5. MIS Trade Bulletin

ANSAB develops and disseminates the Marketing Information Bulletin each month to the relevant governmental/non-governmental organizations, companies, business persons, traders and collectors through email circulation. The subscribe feature for the MIS price list is also available in ANSAB's website.

Board of Directors

ANSAB Board of Directors is comprised of noted economists, scientists, businesspersons, and leaders at international level in environmental, economic and social fields.

Mr. Radhesh Pant, Chairperson

Chief Executive Officer, Nepal Investment Board

Prof. S. P. Singh, FNA, Vice Chairperson

Former Vice Chancellor of Garhwal University
Advisor, State Planning Commission, Government of Uttarakhand

Mr. David Hircock, Member

Advisor on Natural Resources, Estee Lauder Companies, Inc.

Ms. Ann Koontz, Member

Technical Assistance Department Director, Relief International

Mr. Nathu P. Choudhary, Ex Officio Member

Secretary, Ministry of Agriculture and Cooperatives

Dr. Bhishma P. Subedi, Ex Officio Member

Executive Director, ANSAB

ANSAB Advisory Board

ANSAB Advisory Board provides strategic input to both the Board of Directors and the management team to maintain the organization's achievements and improve its effectiveness, outreach and impact.

Dr. William D. Carmichael

Expert, International Development, USA

Dr. William R. Burch

Frederick C. Hixon Professor Emeritus of Natural Resource Management and Senior Research Scientist, School of Forestry and Environmental Studies, Yale University, USA

Dr. Mike Rechlin

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Director, International SEPT (Small Enterprise Promotion + Training) Program, University of Leipzig, Germany

Dr. Yam Malla

Country Representative, International Union for Conservation of Nature (IUCN), Nepal

Mr. Peter de Marsh

Vice-chair, International Family Forestry Alliance (IFFA), Canada

Dr. Uday Raj Sharma

Expert, Biodiversity Conservation and Policy, Nepal

Mr. Martin Simard

Senior Policy and Research Analyst, Copyright and International Trade Policy Branch, Canadian Heritage, Canada

Donors and Implementation Partners in 2011

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. ANSAB sincerely acknowledges the following donors and partners for their support in 2011:

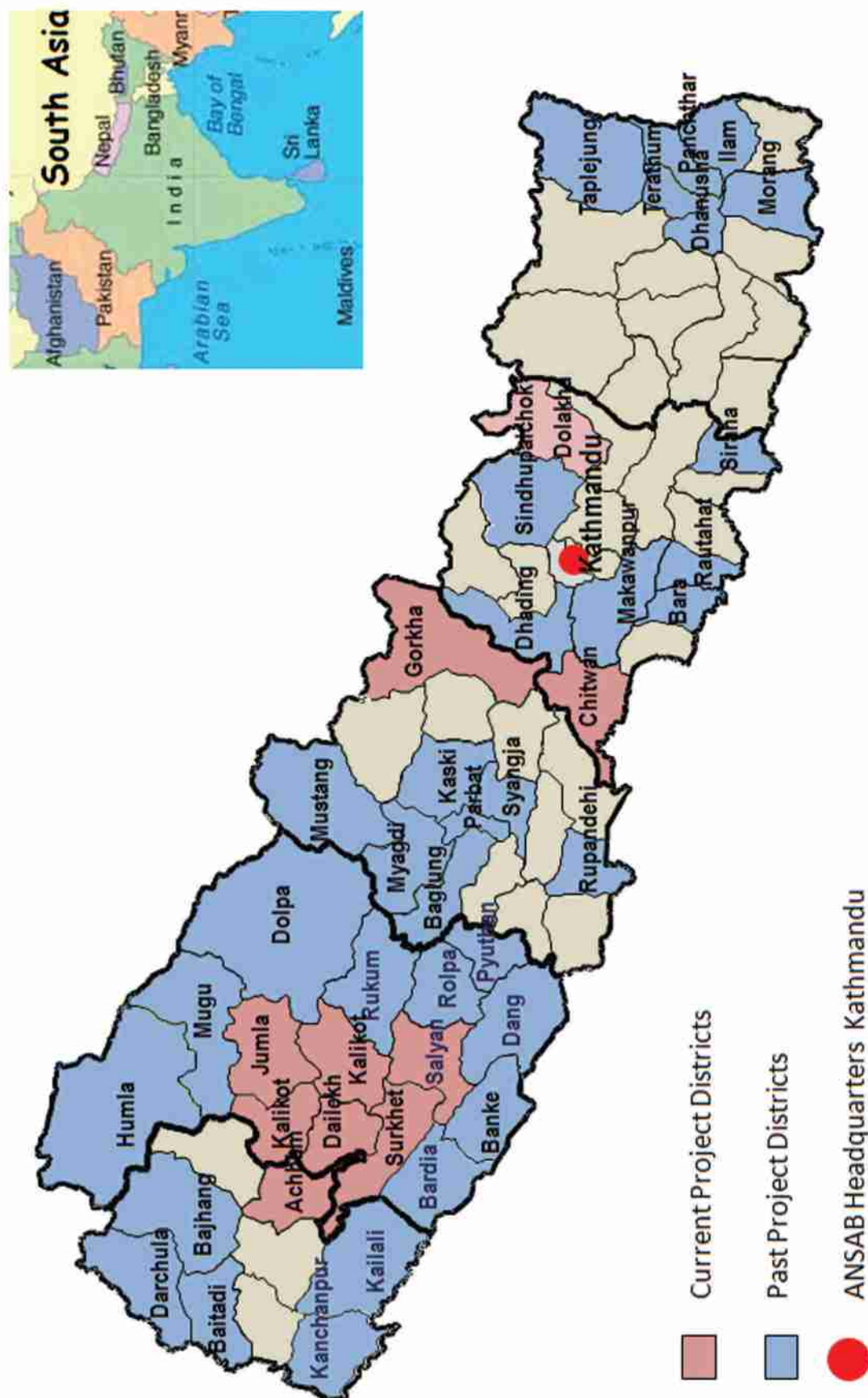
A. Donors

Norwegian Agency for Development Cooperation (NORAD)
 UNDP/Global Environmental Facility
 United States Agency for International Development (USAID)
 Food and Agriculture Organization (FAO)
 Netherlands Development Organization (SNV)

B. Partners

International Centre for Integrated Mountain Development (ICIMOD)
 Federation of Community Forestry Users, Nepal (FECOFUN)
 Netherlands Development Organization (SNV) - Nepal
 Forest Stewardship Council (FSC)
 United Nations Environment Programme (UNEP)
 Food and Agriculture Organization (FAO)
 Institute for Global Environmental Strategies (IGES)
 University of Southern Queensland, Australia
 Aveda Corporation, USA
 International Network for Bamboo and Rattan (INBAR), China
 Centre for Development Action and Research (CEDAR), India
 Yale University, USA
 Colorado State University, USA
 Future Generations Graduate School, USA
 Nepal Herbs and Herbal Products Association (NEHHPA), Nepal
 Alternative Herbal Limited, Nepal
 Himalayan Biotrade Limited (HBTL), Nepal
 Himalayan Naturals, Nepal
 Nepal Federation of Indigenous Nationalities (NEFIN)

Geographic Coverage



Financial Report

The net worth of ANSAB was increased by 31%. The major growth was realized by Rs. 3 million in Long term assets and Rs. 4.3 million in cash and cash equivalent position. ANSAB's total revenue during the year was NRs. 31.2 million, of which 40 % was provided by donors, 38% accounted for grants-in-aid, 15% consisted of miscellaneous income and 6% was the result of foreign exchange gain. Similarly, ANSAB's total expenditure was NRs. 25.2 million, of which project expenditure accounted for 48%, research and development for 39% and overhead for the remaining 13%. The surplus of NRs. 6 million was contributed with 6 % by saving on long term projects, 38% by saving in Research and short term projects, 25 % by miscellaneous income and 31 % by foreign exchange gain.

Balance Sheet

As on December 31, 2011

Figures in Rupees

	Current Year	Previous Year
Property, Plant and Equipment	3,337,022	315,853
Investment in CBEs as Seed Capital	5,00,000	5,00,000
Total Non-Current Assets	3,837,022	815,853
Cash and Cash Equivalents	23,744,798	19,439,952
Accounts Receivable from Donors	2,401,878	3,066,678
Prepaid Advances Accruals and Deposits	271,910	750,344
Less: Current Liabilities and Provisions	4,327,107	4,397,386
Net Current Assets	22,091,479	18,859,588
Total Assets	19,675,442	19,675,442
Represented by:		
Restricted Fund	246,435	0
Equity Fund	25,682,066	19,675,442
Total Funds	25,928,501	19,675,442

Statement of Income and Expenditure

For the year ended December 31, 2011

Figures in Rupees

Income	Current Year	Previous Year
Income from Donors for Projects	12,562,162	29,089,307
Grants-in-aid	11,974,016	2,990,265
Miscellaneous Income	4,775,894	3,230,483
Total Income	29,312,072	35,310,055
Expenditure		
Direct Project Expenditure	12,184,749	26,442,489
Research and Development Cost	9,717,414	2,137,957
General and Overhead Cost	3,283,215	3,696,042
Total Operational Expenditure	25,185,378	32,276,488
Surplus/(Deficit) from operation	4,126,694	3,033,567
Gain /(Loss) on foreign exchange	1,879,931	517,357
Net Surplus/(Deficit)		
transferred to General Fund	6,006,625	3,550,924

ANSAB's recent publications¹

Books

- ANSAB Rural Development Toolkit series: 8 Volumes
 - Business Planning for Community Based Natural Product Enterprises
 - Certification of Community Managed Forests
 - Chain of Custody Certification for Community Forest Enterprises
 - Development and Mobilization of Local Resource Persons
 - Entrepreneurship Development of Natural Resources Dependent Communities
 - Marketing Information System for Natural Products
 - Participatory Biodiversity Monitoring in Community Managed Forests
 - Participatory Inventory of Non-Timber Forest Products
- Guidelines for measuring carbon stocks in community-managed forests
- Local communities and natural products: A manual for organizing natural resource management groups for resource management planning, enterprise development and integration into value chains
- Enterprise development for natural products: Manual
- Linking Plant-based Enterprises and Local Communities to Biodiversity Conservation in Nepal Himalaya, Adriot Publishers (8 chaptered book)

Videos

- Green business in the Himalayas: Pioneering market-driven solutions to improve livelihoods and conserve biodiversity (Nepali and English versions)
- In search of Yarsagumba
- Forest Certification: Steps towards sustainability (Nepali and English versions)
- Community Entrepreneurship (In Nepali)

Periodicals

- Monthly Price Lists for 32 NTFPs in 6 key markets of India and Nepal
- Tri-annual Newsletter - Himalayan Bioresources

Articles²

- ANSAB. 2011. Certification brings the market to the mountains. Celebrating Success: Stories of FSC certification. FSC international Center. 12-13.
- Bhattarai, S., Rana, E., and R. Tamrakar. 2011. Estimation of crown cover and carbon density. Hamro Ban Sampada 8(2): 124-126. (In Nepali)
- Pandey, S. S., and R. Tamrakar. 2011. Process and learning from forest carbon measurement. Hamro Ban Sampada 8(2): 115-123. (In Nepali)
- Subedi, B. P., Bhattarai, S., and S. Khanal. 2011. Climate change adaptation and mitigation through community-based sustainable management of forests in Nepal. Mountain Forests in a Changing World -Realizing values, addressing challenges. UNFAO/MPS and SDC, Rome. 66.
- Subedi, B. P., 2011. FSC Group Certification for non-timber forest products in Nepal. FSC Smallholders Update. FSC, Bonn. 4.
- Subedi, B.P. 2011. Professional opportunities and challenges of Non timber forest products in Nepal. Hipat (In Nepali)

Presentations³

- Community forestry enterprises: experiences & lessons learned from Nepal. Second Regional Forum for People and Forests - Community Forestry: Key to Solving Current and Emerging Challenges. Bangkok, Thailand. 8-9 August 2011.
- Non-Timber Forest Products – potentials for enterprises and sustainable forest management. International Conference on NWFP for Sustained Livelihood. Bhopal, India. December 17 - 19, 2011.
- Community forestry enterprises: program design & intervention framework. Asia Pacific Forestry Week 2011. Partners Event ANSAB/FAO/INBAR. Beijing, China. November 7, 2011.
- Creating synergy for conservation and development: community-based, enterprise oriented approach. Human Ecology Course, Future Generations Graduate School. Kathmandu. November 2011.
- Supporting Small Forest Enterprises in Nepal. Second International Forest Connect Workshop. iied, UNFAO, PROFOR. Addis Ababa, Ethiopia. February 16-18, 2011.
- Bio-Briquette Value chain: Lessons from Nepal. SEPneT Workshop on Renewable Energy – Chances and Challenges for SMEs. Bangkok, Thailand. September 19-23, 2011.

¹ ANSAB's publications and presentation are available free of charge at www.ansab.org

² The articles refer to those published by ANSAB and its staffs in 2011

³ Only presentations at international conferences are included

Staffs

S.N.	Name	Designation
1.	Bhishma Prasad Subedi	Executive Director
2.	Kiran Chandra Adhikary	Manager - Finance and Administration
3.	Shiva Shankar Pandey	Senior Manager - Biodiversity, Ecosystem and Climate Change
4.	Puspa Lal Ghimire	Programs Manager
5.	Sanjeeb Bhattarai	Manager-Biodiversity, Ecosystem Service and Climate Change
6.	Sudarshan Khanal	Research, Program Planning & Communication Officer
7.	Prakash Katwal	Senior Program Officer
8.	Yubaraj Subedi	Senior Program Officer
9.	Kabir Ratna Sthapit	Program Officer
10.	Megh Dhoj Adhikari	Program Officer
11.	Bhuwan Dhakal	Documentation Officer
12.	Shambhu Charnakar	Forestry Officer
13.	Rijan Tamrakar	Forestry Officer
14.	Nabin Raj Joshi	Research Officer
15.	Uddhab Adhikari	IT Officer
16.	Sagar Godar Chhetri	Program Associate
17.	Anju Katuwal	Account Associate
18.	Enusha Khadka	Research Associate
19.	Pradeep Majganiya	Research Assistant
20.	Basanti Subedi	Admin Assistant
21.	Sushil Gyawali	Advisor, Pro Poor Economic Development
22.	Khem Raj Sharma	Legal Advisor
23.	Martin Simard	Communication Advisor
24.	Merrilee Hughes	Fundraising and Grant Facilitation Advisor
25.	Sweety Thapa	Receptionist
26.	Rajani Chhetri	Front Desk Assistant
27.	Binod Shrestha	Messenger/Store Keeper
28.	Ravi Khatri	Driver
29.	Dil Bahadur Gurung	Guard
30.	Parbati Pokhrel	Office Helper
31.	Nani Maya Gurung	Office Cleaner
32.	Suna Sharma	Intern
33.	Nirman K. Ojha	Volunteer
34.	Saphal Subedi	Volunteer

Field Based Staff

35.	Balkrishna Neupane	Field Coordinator – Bajhang
36.	Kabi Raj Praja	Forest Technician (Chitwan)
37.	Amrit Bilash Panta	Forest Technician (Chitwan)
38.	Deepak Charnakar	Forest Technician (Dolakha)
39.	Rana Bahadur B. K.	Forest Technician (Gorkha)



ANSAB

**Rich Biodiversity and
Prosperous Communities**

**Asia Network for Sustainable
Agriculture and Bioresources (ANSAB)**

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