

## From the Country Director's Desk

Dear friends,

As we bid farewell to the year 2013, we look back to the completion of two years of implementing our signature project "Smallholder in Livestock Value Chain (SLVC)." The past year has been a great learning experience for us at Heifer with the intensification of community level activities of SLVC. Through this project, Heifer is working on empowerment and institutional strengthening of community for social transformation and creation of a sustainable production and marketing system focusing on dairy and meat value chains for economic growth, consequently to bring families from a state of poverty and vulnerability to sustainability and resilience. In the process of doing so, we have organized farmers into Self-Help Groups where women represent their families. The project beneficiaries have received various capacity building trainings and physical inputs of livestock and agricultural support to increase their family income and attain food and nutrition security.



We welcome the year 2014 with a wide embrace and look forward to putting in good use of our experiences earned over the past 16 years. We are excited to continue the momentum initiated in past years by implementing activities on strengthening community based institutions and engaging them in developing a sustainable production and marketing system. By involving the entire Village Development Committees (VDCs) and local stakeholders, Heifer will treat whole village as a single unit that will lead to building up strong social capital and enable smallholder farmers function as a body capable of large scale production and marketing.

This year too we continue on our mission of ending hunger and poverty and caring for the earth through the Values Based Holistic Community Development Approach and seek for a synergistic collaboration and partnership with local stakeholders and strategic partners.

Sincerely,



**Dr. Shubh N. Mahato**  
Country Director

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## Heifer Nepal's 10 Years Program Plan: Sustainability and Resilience through Goat and Dairy Value Chain



**H**eifer Nepal has developed its 10 year program plan aligned with the Agriculture Development Strategy (ADS) of Government of Nepal (GoN). The ten years program plan focuses on a value chain approach to economic growth through prioritized commodities; **Goat and Dairy**. To facilitate the development of the program plan Heifer Nepal organized a “10 years Program Planning Consultation Workshop” on July 2, 2013 which was attended by policy level government officials and stakeholders. The County Director for Heifer International Nepal, Dr. Shubh N. Mahato said “The outputs received from the workshop participants were the guiding principles for designing the 10 years program plan”.

The 10 year program plan aims to bring 500,000 families from a state of poverty and vulnerability to sustainability and resilience through their engagement in competitive, sustainable and inclusive goat and dairy value chain enterprises. Its anticipated result is economic growth, improved livelihoods and food and nutrition security for the smallholder families. The program plan has following objectives:

- **Objective 1:** 500,000 families, represented by women, empowered and organized in institutions for their progression from a state of vulnerability to sustainability.

- **Objective 2:** 45 % of the target families will increase their income to NPR 400,000/annum and another 35% of the target families will increase their income to NPR 250,000/annum and attain improved food and nutrition security by the end of projects implemented under this program.
- **Objective 3:** The program will supply an additional 900,000 meat goats/annum and 100,000 liters of milk/day to markets, contributing to 50% and 25% reduction in goat and dairy import, respectively.

Fifty percent of the households in Nepal rear goats which contribute to around 12% in total Livestock GDP. Similarly, out of the total supply of goat meat in Nepal, 88% is fulfilled through domestic production; while remaining 12% is imported from neighboring countries. According to data available at Animal Health quarantine office, around 412,000 live goats were imported from India in 2011/12 only. A crude estimate based on income elasticity reveals that in FY 2013/14 total demand gap for goat meat in the country will be about 1,800,000 additional goats annually (up from 789,000 in 2011/12). Insufficient flow of goats in the markets as well as lack of organized live goat marketing system adds up to weakening the value chain.

Moreover, analysis of secondary source information reveals that there are currently 500,000 smallholders and 130,000 employees engaged in the formal milk sector in Nepal. The total milk production is 16.2 million metric ton annually with only 16% of that supplied through formal channels. However, urban milk demand has outpaced milk sub-sector growth. Nepal still spends approximately \$14 million in milk and milk products while it exports \$1.73 million. Despite this gap, sector growth is low at an average of 3.35%, most likely due to the scattered production of milk. Large dairies are either relying on import of milk or running at half of their operational capacity.

The value chain analysis for goat and dairy product shows that there is a huge scope for growth in these sub-sectors. Heifer Nepal will focus on two pathways to achieve its programmatic goals:

### **1. Empowerment and institutional strengthening:**

The Values Based Holistic Community Development (VBHCD) approach will be employed for empowerment of individuals, grooming women's leadership and strengthening social harmony through tools such as Cornerstones trainings for all community

members, SHG activities, Passing on the Gift® and capacity building trainings as well as building grassroots institutions and enabling them to emerge as strong players in the value chain through increasing farmers' network and formation of Social Entrepreneur Women's (SEW) Cooperative.

### **2. Sustainable production and marketing system:**

Heifer's interventions are targeted towards creating improved value chain performance (meat goat and dairy) with strengthened linkages among the actors. Improved value chain performance is achieved when there is; (I) quality products at a fair price to consumers and (II) a fair share of profit to the value chain actors. This becomes the pull force to bring the smallholders and their institutions as competent actors into the mainstream economy. To increase production and productivity Heifer will build agro-vet input and service hubs at the community level, make available easy access to credit, provide Artificial Insemination (AI) service and support fodder/forage production. The program will put effort on connecting primary producers with the end market while targeting efficiency throughout the value chain to ensure a fair price to the consumer.

## **Key drivers of change**

### **Social Capital:**

For the past 16 years Heifer Nepal has been working towards community development and learned from the experiences that social capital has been the push force which inspires and empowers entire community particularly marginalized individuals and households and brings them together in an institution with enhanced bargaining power. A foundation of social capital is built through a values based approach and contributes to the cognitive strength of the structures created. Thus the structures become vibrant and strong and are able to cope independently with other development forces.

### **Value chain approach:**

The value chain links the steps a product takes from the farmer to the consumer. The program targets a quality product at a fair price to the consumers and emphasizes a fair share of profit to all the Value Chain actors. Value chain analysis is critical to identify barriers, constraints and potential intervention points along the chain of actors as it opens up the possibilities to create innovative solutions, initiate research and development and find modern technologies that can increase efficiency and effectiveness.

### **Exponential Passing on the Gift approach:**

Passing on the Gift instills dignity as the recipients become donors. The program will employ an exponential passing on the gift approach. One original group (OG) will form and strengthen around five pass-on groups (POG) at the same time through mobilization of small mentoring teams (MT). Though livestock resources (physical inputs) will take their own time to be passed on from one group to another, all OG and POG groups will benefit from other critical services such as social capital building, cooperative and enterprise development support, technical service/inputs, etc. early in the project. This approach will allow the farmers to expand their networks by mentoring more farmers like themselves, connecting a large number of families for mass production thereby enhancing the bargaining capacity in the market. All the groups when federated into cooperative will benefit from quality production inputs, services and credit as well as marketing efforts.

### **Village Development Committee (VDC) coverage:**

The program will take an approach of covering all the wards of the VDC (local administrative boundary). The program will facilitate a VDC level collaborative planning and execution process under the leadership of the VDC chair and with participation of all the development actors in the village. Efforts will be made to avoid duplication and pool resources for collective impact.

### **Collaboration:**

The program is developed to contribute to the national development goals and starts with co-planning and collaboration with the government as well as private sector. The collaborative effort and input from experts creates a synergy which is another key driver. Heifer Nepal has more than 100 project partners who work in close collaboration with government agencies.

### **Research, Development and Innovation:**

The 10 year program plan adopts social and technological Research & Development and seeks to create a culture of innovation. Research and development becomes a key driver for innovation, leading to impacts which will stand out as best in its class.

# Exponential Passing on the Gift: An effective tool for formation of Social Capital and Dissemination of Technologies



An innovative acceleration tool called Exponential Passing on the Gift (ePOG) has been introduced in the SLVC project which is projected to reach out to more people at faster pace and leave a sustainable impact on the ground.

Heifer uses Passing on the Gift (POG)<sup>®</sup> model as a resource multiplication tool and an approach to inspire self-esteem among the project beneficiaries as the recipient becomes the donor. With the transfer of knowledge, skills and physical inputs from one family to another through POG model Heifer's work has maintained social cohesion and successfully integrated groups into social cooperatives. Women socially marginalized by the community for generations are organized into self-help groups to form formal social structures with enriched positive values and attitudes to achieve common project outcomes. By engaging each family with the community as a unit, Heifer has been able to utilize existing knowledge and resources and mobilize the community to create an ecosystem that is pro poor; meantime promoting community as a whole to have social and economic channels in place to ensure resilience and aim for prosperity. Formation of critical mass of project beneficiaries with strong social capital (structural and cognitive) ensures growth and sustainability of the project efforts, results and impacts (scaling up) even after the termination of the project.

## Conventional POG Approach Vs Exponential POG Approach

In traditional or conventional approach of Passing on the Gift, each Original Group (OG) formed at first by Heifer Nepal would form another Pass on Group (PoG) which is also referred as the 1st generation group. The phenomena continue reaching up to numerous generations depending on the members' cohesion and sense of responsibility. The ePOG approach conceptualized by Dr. Mahendra Lohani, Vice President, Asia South Pacific, was implemented in SLVC project to meet these objectives.

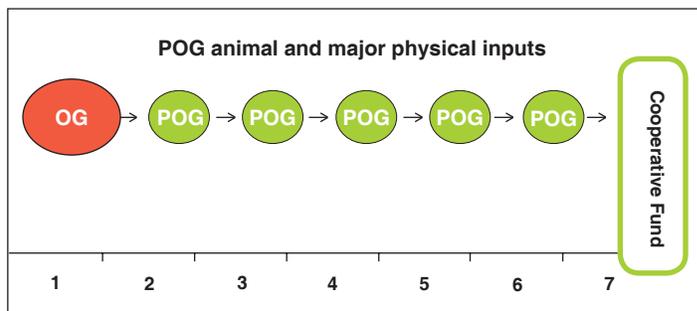


Fig 1: Conventional model of PoG formation

In the exponential model, the original group (OG) within a few months of its inception, forms and strengthens the capacity of multiple pass-on groups (PoGs) through mobilization of small mentoring teams (MT) consisting of members of the OG group itself. Each MT forms and mentors one pass-on group. This approach allows the farmers to expand their networks by mentoring more farmers like themselves, connecting a large number of families for mass production. All the groups when federated into a cooperative will benefit from quality production, inputs, services and credit as well as marketing efforts.

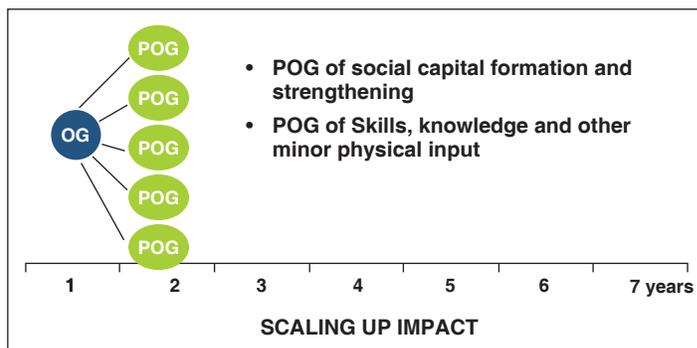
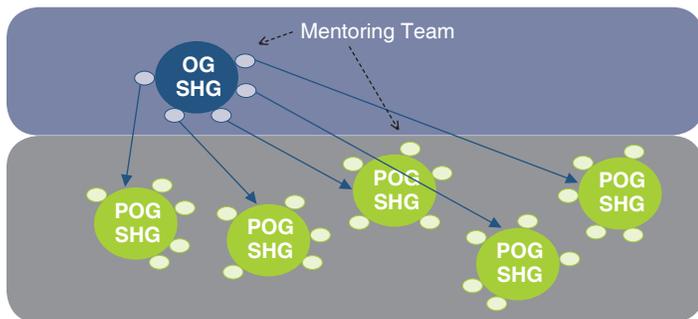


Fig 2: Exponential model of PoG formation

## Formation of ePOG:

The first step in formation of Pass on Group (PoG) starts with the formation of OG in the village. When OG are formed at strategic locations in the project area then OG members are capacitated by project partners through Heifer Nepal's various capacity building services such as cornerstone training (CST), Improved animal management trainings, Cooperative management training, Nutrition training, Fodder/forage management training, Reproductive health and HIV/AIDS awareness training and Gender justice training. After 3-6 months of formation of OG, its members form Mentoring Teams (MT) as per the need reflected in the project plan. Parameters such as leadership, communication, coordination and geographic location are considered in the process of formation of MT. Then, members of MT undertake responsibility to form other Self Help Groups (SHGs) in the project area, not covered by the

project at the beginning. The members of MT facilitate and coach community people to form SHG so that other community people are also benefited from the physical and social capital gained by them. Heifer Nepal provides facilities such as CST and pre-cooperative trainings to all POGs and rest of the trainings are passed on from MTs in the continued experiential learning model. This approach also has initiated a mechanism of knowledge sharing and transfer of skills from OG to PoG through mentoring team. Community facilitators and project staff of the partner organizations guide and support MTs in the process.



### Exponential Passing on Group (ePOG) in SLVC:

Out of the 47 ongoing SLVC sub-projects, 10 sub projects were selected and data were monitored from June 2012-2013 and analyzed. The data showed that on an average one OG formed four PoGs.

### Major Findings:

The fig. 4 and fig. 5 illustrates the number of PoGs formed by OG and families covered respectively. When compared with the planned target of each of the 10 subprojects, 88% of progress has been achieved in formation of PoG against the target of 371 within a year. That means 327 PoGs have already been formed by original groups. Likewise, 87 OGs were formed against 86 planned OGs in these 10 projects.

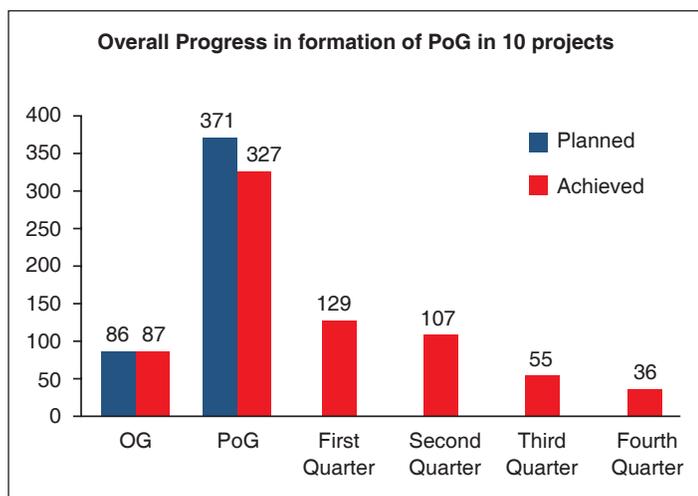


Fig 4: Progress of PoG formation in all 10 projects in quarterly

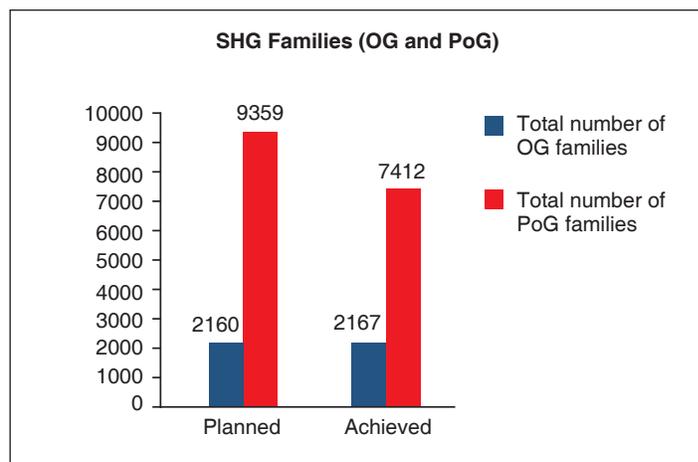


Fig 5: Graph on PoG families compared to OG (families)

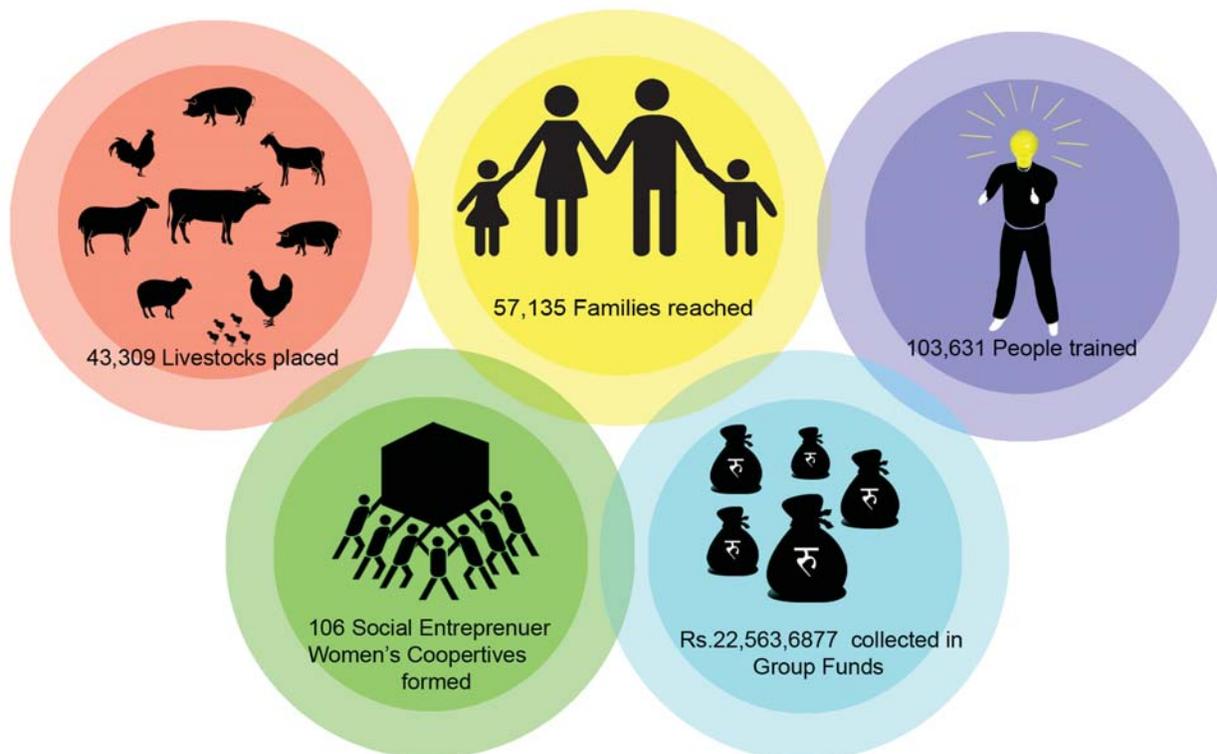
Further, in perspective of families covered, 2160 OG families had planned to cover 9359 family members (PoG families) in which 7412 family members have already been covered within this working period. Hence, this model of work evidence shows that with small effort, entire population of the VDC can be covered and all categories of populations particularly women and disadvantaged groups (DAG) are able to benefit from project work directly and indirectly.

### Advantages of Exponential PoG:

1. Coverage of entire population of a VDC irrespective of geographic location, population size, socio-demographic status and social features.
2. Utilization of local resources to the highest level and local resource leverage has been eased.
3. Production of meat and meat products as well as milk and milk products in bulk appears feasible.
4. In case of need, technical and physical input is easily manageable due to huge mass involved in livestock and agriculture sector.
5. Active involvement of local stakeholders is possible.
6. Both parties (Service providers and service receivers) are strengthened and new enterprise and employment opportunities created.
7. Market system is strengthened.
8. Empowerment of women groups and formation of Cooperatives have been possible within short span of time.
9. Developed cohesion and solidarity among community people.

The ePOG model brings together farmers, local stakeholders and community members on a common platform providing for a democratic decision making opportunity. Such practice is fair on all and leads toward collective prosperity. The development activities are planned by the people, implemented in their full participation and monitored by themselves. Therefore, it is more likely that the project activities will continue on even after the project life is over. Through collective effort, community institutions will have desired capacity to further the project initiatives for their continued development and economic growth.

## Program Achievements



## News and Events

### Golden Talent Award winners for 2013 honored

Heifer Nepal has been giving the Golden Talent Award (GTA) annually to acknowledge and honor an individual or group who takes minimum of resources and turns it into a sustainable source of income, while at the same time helping other families and the community at large. Heifer Nepal has been awarding the GTA to one such example from each region. In the year 2013, phenomenal stories of transformation and leadership were witnessed and shared. Among many extraordinary community development initiators and active contributors for development from all regions, 1 women's SHG and 3 individual women were honored by GTA this year.

**Eastern region:** Eastern region: Naramaya Jarga from Tinkanya- 9, Sindhuli received the award for transforming the lives of herself and her family's with the trainings, 3 goats and a buck that she had received from Heifer-PAF collaboration project. With the new found knowledge and motivation Jarga was determined to make the best of the opportunity she had received. She

earned Rs. 77,600 in the past year by selling goats while just a year ago her income from goats had been between Rs. 9000- 12,000.

**Central region:** Central region: Parbati Sunar from Butwal- 15, Rupandehi, has come a long way from being accused of being a witch by her own mother in law to being an influence i n her community. The women who would hide their children when Parbati made her daily trip to work are now her friends from the same SHG. Today, Parbati is an active member of the Project Management Committee and an influential figure in her community.



**Western region:** Bhagwati Women's Group from Nawalparasi district has brought a wave of change in their community since its inception in 2009. Their major achievements include prohibiting consumption of alcohol and gambling in their community, ban on dowry system, transforming the community school into an English medium school etc.

**Mid-western region:** Bishnu Pariyar from Jamuna-5, Bardiya has battled poverty, an alcoholic husband and harsh discrimination from her community for belonging to the so called untouchable caste. From having no land of their own and living in a neighbor's property to building a permanent house with the income from micro enterprise (tailoring), raising goats and selling milk, Bishnu is the perfect example of a golden talent. Today, her husband is sober and an active supporter of Heifer' SHG.



## Heifer Nepal hosts Hilton Prize Laureates Collaborative- Country Director Meeting



Hilton Prize Laureates Nepal Country Director Meeting was organized in Nepal on Oct 28, 2013 with an objective to introduce Laureates' leaderships to each other and facilitate for new collaborative opportunities. The platform was also used for introduction of Laureates Collaborative's Emerging

Leaders Internship Program. The program was attended by leaders from Nepal Laureates which includes Center for Victims of Torture Nepal, member organization of IRCT, Help Age International, Handicap International, CWIN Nepal - a member organization of ECPACT, SOS-Children's

Village and Heifer International. David R. Curry, General Secretary of Hilton Prize Laureates Collaborative shared that the Collaborative presented a great opportunity to work together and move the development field further.

During his stay in Nepal, Mr. Curry visited Heifer Nepal project areas in Banke and Bardiya districts and met with project beneficiaries. After field visit, he reflected that the groups played very important role in supporting its members to achieve success. He also shared that he had two principal observations, first was the story of personal achievement and second was the socio-economic empowerment. The companion message was the role of Cornerstones training in supporting the overall framework and that the Cornerstones values were the enabling factor that had helped them to achieve these things.

## Heifer Nepal's 10 years Planning Consultation Workshop with Government of Nepal and concerned Stakeholders



Heifer Nepal organized 10 years Program Planning Consultation Workshop on July 2, 2013. The event was inaugurated by the Chief Guest, Secretary for Ministry of Agriculture Development (MOAD), Mr. Jaya Mukunda Khanna and was chaired by Joint Secretary and Spokesperson of the MOAD, Dr. Prabhakar Pathak. Dr. Nar Bahadur Rajwar, Director General of Department of Livestock Services, Jivan Prabha Lama, Director General of Department of Food

Technology and Quality Control and Dr. Dhana Raj Ratala, Chairperson of the Nepal Veterinary Council, representative from Poverty Alleviation Fund were other distinguished personalities present in the workshop and provided their valued inputs in the workshop. The program was first of its kind in Nepal and was well appreciated by the Government officials and stakeholders as an exemplary initiative started by Heifer.

According to the Country Directors for Heifer International Nepal, Dr. Shubh N. Mahato "Heifer Nepal believes that the workshop outputs will be invaluable guiding principles for designing the next ten year programs in Nepal and will help scale up and maximize impacts avoiding duplication among agencies, for optimum and rational resource sharing and mobilization". Dr. Mahato further added that "Heifer Nepal hopes to align its works and co-work for collective impacts with the Government plans, programs and actions".

The program focused on 3 major agendas: (i) Policy issues, gaps and recommendations for Government of Nepal and I/NGO partnership and synergies, (ii) Heifer's 10 year Program - Program components, commodities and possible interventions and (iii) Strategies for resources management/mobilization, co-funding, collaborations and synergistic leverages in program/projects. The workshop outcomes and recommendations have been translated and reflected as strategic action plans in Heifer's 10 Year Program Plan (2013-2023).

## Reflections

Theater as a form of art is satisfying for humans in general because we can share our stories and achievements with a group. What we saw in the field was powerful because of the content and context of how they were sharing. Often there is either no time or no opportunity for that. The group provides the women a platform for expression and plays very important role in supporting its members to achieve success. Two principal observations I have made out are that the story of personal achievement and socio-economic empowerment and the role of Cornerstones training in supporting the overall framework and that the Cornerstones' values were the enabling factor that had helped them to achieve these things.

David R. Curry, General Secretary, Hilton Foundation

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