



2016 Nepal Annual Report



Cover Image : Members of Sangam Mahila Samuha from Deurali VDC, Nawalparasi work together to plant fodder/forage on leased land. This practice has reduced farmers' dependency on forest resources to raise their livestock.

Photo By : Suraj Shah



Heifer's Mission

Our mission is to work with communities to end hunger and poverty and care for the Earth.





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Letter from the Country Director

Dear friends,

Heifer International Nepal has completed 19 years of working with poor and vulnerable families. During this period, we have worked with 230,545 smallholder families in 41 districts to help them secure an annual livable income to live resilient and self-reliant lives.

Recognizing low farm productivity and weak market infrastructures as two major gaps in agro-value chain, we have concentrated our effort towards promoting farmer-owned institutions that will unite smallholders and establish them as key actors. As our work progresses, we will have improved local market systems for live goat that support fair prices and local businesses.

Our annual report for fiscal year 2016 will give its readers a comprehensive understanding of Heifer's work and its accomplishments of the past year. Finally, I would like to take this opportunity to extend my gratitude towards all our donors without whom all these achievements would not have been possible.

Dr. Shubh N. Mahato

Country Director

Women heading for Passing on the Gifts (POG) Ceremony in Rangpur, Rautahat. Under Heifer's Exponential POG model, beneficiaries are mobilized to form multiple Pass on Groups. Then, they pass on the gift of physical input along with knowledge through trainings and mentoring. This approach ensures that the project input reaches out to the entire population of a village and the development momentum is sustainable.



Heifer International Nepal

Nepal received Heifer's assistance for the first time in 1957 when, at the request of Government of Nepal, shipments of high-yielding improved breeds of cattle, sheep and pigs were sent for cross-breeding. Heifer's first two pilot projects were implemented in 1993 and 1995.

Heifer International began operations in Nepal in 1997 as a branch office. Heifer Nepal introduced the country program strategy and investment plan in 2007 which focused on livestock, improved technology and technical training and education for capacity building and awareness. Heifer Nepal has been working towards scaling up its program impact to reach out to more families through the use of technology and innovation. Through strengthening of farmer-owned agribusinesses, Heifer is working on connecting smallholders to the market to promote rural economy and ensure fair share to the producers.

10 year program goal:

By 2023, through a primary focus on the goat value chain and secondary focus on the dairy value chain, Heifer Nepal will work 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 for bringing economic growth, improved livelihoods and food and nutrition security.

Over the ten-year period, Heifer Nepal will focus on two commodities in which the country is dependent on imports: goat and dairy. Each year approximately 500,000 goats and \$14 million worth of milk products are imported. Therefore, both commodities are of very high priority to the national government. Through working in these two commodities, Heifer Nepal will not only be able to bring poor smallholder farmers the state of resiliency, but they will also be poised to leverage support and collaboration from other stakeholders in the government and private sector with similar priorities.

Heifer international's mission is to end hunger and poverty while caring for the Earth. For 70 years, Heifer International has provided livestock and environmentally sound agricultural training to improve the lives of those who struggle daily for reliable sources of food and income. Heifer is currently working in more than 30 countries, including the United States, to help families and communities become self-reliant.



Progress in Program Areas

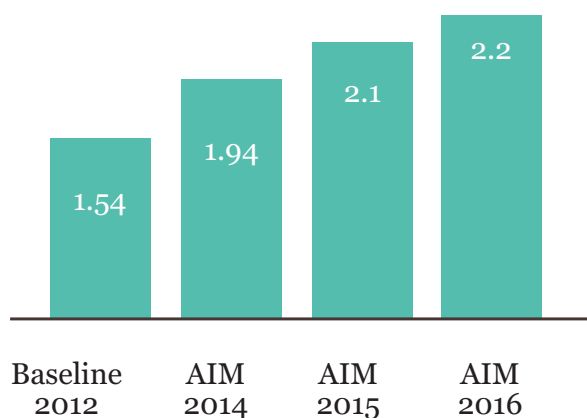
Heifer’s work focuses on improvements in the five domains below which work together to take families from vulnerability to sustainability. Physical aspects (red blocks) combined with social aspects (orange blocks) form a multiplier effect that accelerates processes and expands impacts. To achieve impact in these five domains, Heifer Nepal focuses on animal well-being, social capital and business.



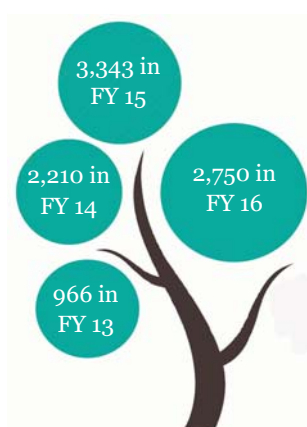
Animal Well-Being

Heifer works with smallholder farmers to increase their farm productivity by focusing on animal well-being. Community Agro-Vet Entrepreneurs (CAVE) are trained and mobilized to increase farmers’ access to veterinary services for their livestock. They also provide farmers with technical support for improved management in housing and feeding. Nutritious fodder/forage production is extensively promoted along with mineral blocks and supplement feed made from local ingredients. In order to improve genetic potential of livestock, selective breeding is practiced by culling unproductive animals, preventing inbreeding and strategic placement of quality bucks. Farmers are trained on maintaining animal health and production record files. Based on the record, farmers select seed animals of genetic merit for its multiplication. As a result of these interventions, genetic potential of animals improves contributing to productivity of livestock farms.

Our annual outcome monitoring study shows that goat productivity has increased by 42% since 2012. On average, a nanny goat produces 2.2 kids per year after four years of project intervention.



In Figure : Increase in Goat Productivity (#kids/doe/year)



Our beneficiaries planted fodder/forage in 2750 hectare of land this year. As farmers have adequate fodder/forage planted in their fallow, barren land, it reduces negative impact of livestock on the environment.

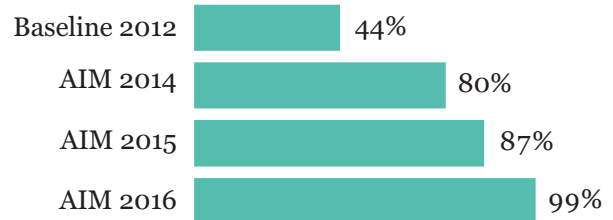
In Figure : Fodder and forage planted in hectare



Social Capital

Social Capital is an integral component of Heifer's work. Heifer promotes community values, networks and trust among its community members which in turn acts as an agent for increasing efficiency in achieving common goals. Heifer's 12 Cornerstones training and Participatory Self-Review and Planning are the primary tools used to strengthen social capital which when combined with women's empowerment helps to multiply the impact of Heifer's technical interventions.

Our annual outcome monitoring study shows that the percentage of women's membership in community based organizations more than doubled within 4 years of being affiliated in our projects. There has also been a consistent rise in families demonstrating solidarity and cooperation among community members.



In Figure : % of families reporting membership in community based organizations



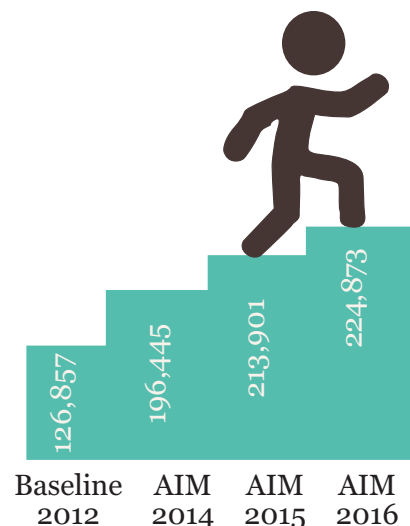
In Figure : % of families demonstrating solidarity and cooperation among community members



Business

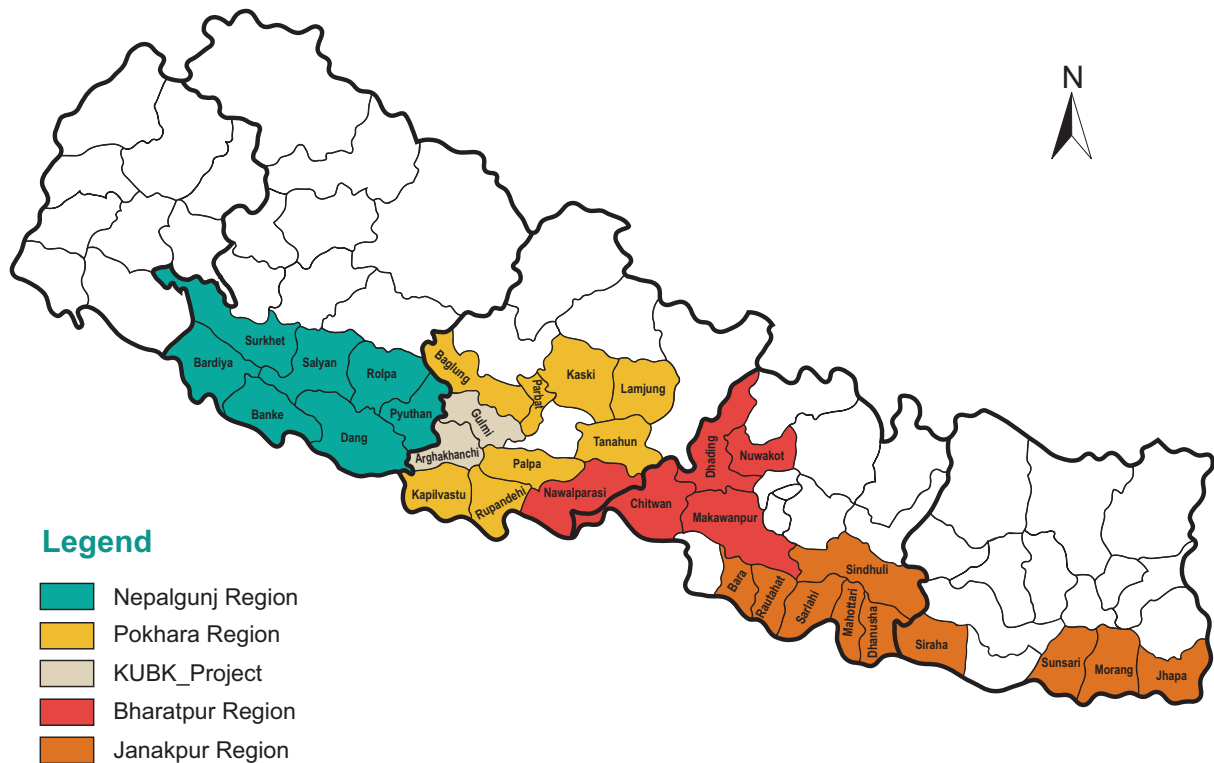
Heifer's programs capacitate subsistence farmers to help them become rural entrepreneurs. They learn to weigh profitability of different farm activities and make informed choices. To ensure a fair share of profit for the products across the value chain, Heifer promotes farmer owned institutions by establishing them as a key actor in the agro value chain. Till date 172 Social Entrepreneur Cooperatives have been formed which provides various services to its' members such as savings and credit, goat bulking and marketing, grocery shops etc. Heifer has extensively promoted the system of selling by weighing and bulking of live goats to strengthen the standard market mechanism.

Our annual outcome monitoring study shows that average family income has increased by 77% after four years of program intervention.



In Figure : Annual Income mean in NPR

Heifer Nepal in 2016



1 : 4.7

For every Original Group Heifer formed, the group helped in formation and mobilization of another 4.7 Pass on Groups on average



45,868

Improved livestock shed constructed



308

Community Agro-Vets mobilized



514

Improved cooking Stoves



32
Districts



230,545

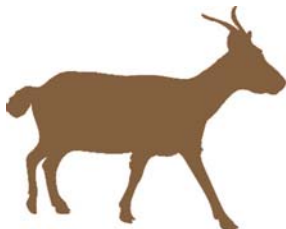
Total families reached to date with support of physical input and trainings to uplift them from poverty and vulnerability to sustainability and resilience



90,788 people received social trainings



48,722 people received technical trainings



9,258
Livestock placed



21

Social Entrepreneur Women's Cooperatives formed

USD 2,397,269

Collected in group funds in 4,330 groups



Saving the planet - One plant at a time

Bindu Dahal, 39 from Nayabelhani, Nawalparasi lives right next to a community forest, also a part of Madhyavarti Forest. Over the years Bindu has noticed the village grow from a few huts to a large settlement. As the population steadily increased, so did the demand for food and fuel. People started encroaching the forest lands, cutting down trees for timber wood and farming, resulting in rapid depletion of the forest area.

Bindu joined Heifer's Self Help Group (SHG) 3 years ago. Heifer Nepal provided these women with goats and social and technical trainings with the objective of improving livelihoods of smallholder rural families through agri-livestock based value chain enterprise development in the area.

After receiving fodder and forage management training, Bindu and her group's members planted fodder and forage seeds and saplings in their farms. They also collaborated with the Community Forest User Group (CFUG) to extend their plantation. She shares, "We wrote a letter to the CFUG requesting for their permission to plant the fodder and forage in the empty land inside the forest. They granted us the permission." With the help of Heifer's partner NGO the women organized a fodder and forage plantation event which was attended by District Forest Officer, Ranger from the buffer zone and other stakeholders. The event was highly appreciated by the stakeholders and was a huge success. "It was one of the proudest moments of my life," shares Bindu.

By the end of the month, Bindu and her group's members had planted the fodder and forage in 1.6 hectare of land inside the community forest. Under Heifer Nepal's Exponential POG model, the group has helped in the formation of 10 Pass on Groups who have also planted another 1.6 hectare of Community forest land with fodder and forage.

Last year the group earned NPR 80,000 (USD 800) from sale of fodder seeds. This year they are projecting an income of NPR 150,000 (USD 1,500). The group saves the income in their group fund along with their monthly savings to lend it at affordable interest rates among its members.



The members also equally divide the fodder amongst themselves to feed it to their livestock. Feeding nutritious fodder and forage to the livestock along with the practice of improved animal management Heifer introduced in the area has resulted in increased income from sale of goats and milk from dairy cattle. Bindu shares, "I sold 5 goats and earned Rs.80,000 (USD 800) this year. Before joining the project I did not even raise goats. Goats are a good source of income and since we have plenty of fodder to feed them now it doesn't add to our work load." Bindu has also been able to earn NPR 150,000 (USD 1500) by selling milk this year.

Families in Nayabelhani have been able to increase their livestock's productivity in the recent years. This is quite evident since a local dairy cooperative has started sending a small truck to collect milk in the village while before farmers themselves had to take small cans of milk to the dairy.



The practice of planting fodder and forage has not only increased livestock productivity but also helped to protect the forest area and it's the bio-diversity. In the fiscal year 2015, 3,333 hectares of land has been planted with fodder/forage in Heifer Nepal project area. Heifer's annual project survey shows that 52% of project beneficiaries report to having fodder/forage available year round while 34% report having it available for 4-8 months.



By Dr. Suyog Subedi,
Animal Well-being Officer

Promoting winter forage for increased livestock productivity

Green forage for animals has multiple benefits. It has a cooling effect on animals, is more palatable, contains easily digestible nutrients, provides fresh and effectively utilizable nutrients in natural form and is a laxative. The use of commercial feed will give the greatest animal production per unit feed intake, but this may not be economical in countries like Nepal where grains and concentrates are costly and in short supply. Therefore, forage is an economical option to the famers as cattle yielding as high as 8 liters of milk each day can easily be maintained solely on green fodder without any feed.

However, lack of sufficient fodder/forage to meet year round nutritional demand of dairy cattle is a major constraint for milk production in Nepal. In addition, prices of various concentrate feed ingredients have increased in the recent years. On an average, feed cost contributes 75% to the total cost of production. This means lower profit for farmers. Therefore, economic milk production can be achieved by feeding dairy cattle with nutritious green fodder. And we need to focus on not only enhancing fodder production, but also on making it accessible throughout the year.

To fulfill the nutrition demand of milk animals during winter season, Heifer has started promotion of winter forage. Heifer trains NGO staff, Community Agro-vet Entrepreneurs and smallholder farmers on 'Cultivation practices of winter fodder/forage'. The training helps the participants to understand the importance of winter forage plants and its cultivation practices along with field demonstration. The training provides comprehensive knowledge on winter forage its importance, cultivation practices, common diseases and prevention along with knowledge on techniques of mixing inoculum with seed, preparation of plot, use of manure and seeding. With this, Heifer is working towards increasing availability of nutritious fodder/forage even during dry and winter seasons for consistency in farm productivity.

Heifer Cornerstones

The essential values we apply to our projects are called the Cornerstones for Just and Sustainable Development. Cornerstones stimulate group wisdom and personal insights, and keep people's hearts, minds and actions balanced, focused and productive. Using the Cornerstones as a framework, project participants develop the attitudes, behaviors and skills necessary to improve their own lives and transform their communities. Together, these values form the acronym **PASSING GIFTS**, echoing the quintessential Cornerstone and trademark practice that makes our projects unique and sustainable. The purpose of combining personal leadership with the Cornerstones is to let participants see how their own personal values connect with those of the project.



Passing on the Gift



Accountability



Sharing & Caring



Sustainability & Self-Reliance



Improved Animal Management



Nutrition & Income



Gender & Family Focus



Genuine Need & Justice



Improving the Environment



Full Participation



Training, education and communication



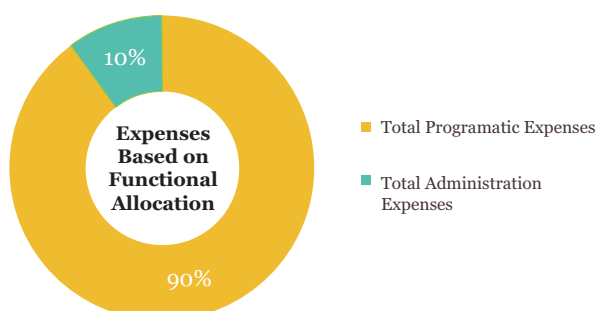
Spirituality

2016 Financial Statements

STATEMENT OF FINANCIAL POSITION (As on 15th July, 2016 (Ashad 31, 2073))		Amount in NPR
Assets		
Cash and Cash Equivalents		47,659,194
Accounts Receivable and Other Advance		1,981,003
Advance to Projects		11,555,166
Prepaid Expenses and Other Assets		851,705
Property and Equipment, net of accumulated depreciation		27,512,153
Total Assets		89,559,220
Liabilities and Net Assets		
Accounts Payable		25,223,112
Intercompany Account Payable		1,868,610
Accrued Expenses		19,355,586
Total Liabilities		46,447,309
Net Assets		
Unrestricted		43,111,911
Total Net Assets		43,111,911
Total Liabilities and Net Assets		89,559,220

Statement of Activities for the year ended 15 July 2016		Amount in NPR
Revenues		
Revenues, Gains and Other Support		675,037,744
Revenue-Related Party		442,972
Total Revenues, Gains and Other Support		675,480,716
Expenses		
Livestock & Freight		63,823,956
Horticulture & Freight		32,368,438
Agriculture Equipment & Supplies		33,667,148
Travel and Vehicle Operations		38,657,943
Training		97,663,093
Technical Services and Evaluation		46,099,148
Personnel and Benefits		165,110,255
Offices Expenses and Services		45,315,421
Depreciation Expenses		6,791,772
Other Program Field Expenses		214,189,639
Expenses Related-Party		7,107,947
Foreign Exchange Loss/(Gain)		12,486,346
Total Expenses and Losses		763,281,108
Total Change in Net Assets		(87,800,392)
Net Assets, Beginning of Year		130,880,582
Prior Period Adjustment:		(31,720)
Net Assets, Beginning of Year, as restated		130,912,302
Net Assets, End of Year		43,111,911

Expenses Based on Functional Allocation		
Total Expense		763,249,388
Total Programatic Expenses	89.8%	685,767,498.48
Total Administration Expenses	10.1%	77,450,169.19



Major Donors and Partners

1. Heifer International
2. Ministry of Livestock Development, Department of Livestock Services
3. United States Agency of International Development/Office of U.S Foreign Disaster Assistance
4. International Committee of Red Cross, Nepal
5. Poverty Alleviation Fund Nepal
6. International Fund for Agricultural Development
7. Global alliance for Livestock Veterinary Medicine (GALVmed)
8. Colorado State University
9. The Regents of the University of California (UCDAVIS)
10. Rotary Club of Singapore
11. Rotary Club of Patan
12. Tech Outreach Malaysia
13. NMB Bank Ltd
14. First Micro-Finance Ltd
15. Himalyan Bank Ltd.
16. RSDC Laghubitta Bitiya Sanstha Ltd.
17. National Cooperative Development Bank
18. Nepal Rastra Bank
19. Nepal Women Community Service Center
20. Rural Microfinance Development Centre Ltd.
21. District Union of Saving and Credit Cooperatives

Senior Management



Dr. Shubh N. Mahato
Country Director



Neena Joshi
Director of Programs



Dr. Tirtha Raj Regmi
Director of Programs



CA Gaurav Rijal
Associate Director of Finance



Sumnima Shrestha
Comm.& Resource Mobilization Manager





Heifer International Nepal

Hattiban, Lalitpur-15

G.P.O. Box : 6043

Tel : 977-1-5250554 / 5250841

Email : heifer.nepal@heifer.org

Website: heifernepal.org

Find Heifer International Nepal at :

