

**CEAPRED**

**ANNUAL REPORT**

**2018-2019**



# FOREWORD



This Annual Report 2018-19 provides a brief account of the projects implemented by CEAPRED during the Nepali fiscal year 2075/76 (16 July 2018 to 15 July 2019). This year marks the successful completion of the BCES, Hamro Coffee, DCCRA and HICAP-RMV projects, and the beginning of the TCF to ADS project. As in the past, the projects completed this year (as well as those that are ongoing) have created important milestones in the way to agricultural development that visibly leads to increased household income, improved livelihood, and strengthened climate resilience.

In recent years, climate change has shown unprecedented symptoms and consequences in Nepalese agriculture, posing greater risks especially to small and marginal farmers practicing subsistence agriculture. Accordingly, CEAPRED has been putting increasingly more emphasis on projects/program activities that lay foundation for resilient agriculture. Last year, we successfully concluded the Resilient Mountain Village project (RMV) in Kavre district implemented in partnership with ICIMOD. The project served as a great platform to demonstrate and inspire large scale adoption of resilient agricultural practices that safeguard farmers against the impacts of climate change on their crops and consequently on their incomes. Inspired by the success of the RMV, our partnership in such initiatives, supported by ICIMOD are now being replicated and scaled in three different climatic zones of Nepal. The initiatives are aimed at helping farmers with simple and affordable technologies and knowledge required to build long-term resilience of agriculture against climate change.

Since April this year, a special project called “Technical Cooperation Facility to the Agriculture Development Strategy (TCF to ADS)” funded by the European Union is being implemented jointly by DT-Global, CEAPRED and AEC. The project aims to provide technical assistance to MOALD and seven provinces for rolling out of ADS throughout the country.

This year, on 23<sup>rd</sup> April, CEAPRED entered its 29<sup>th</sup> year. We believe, over the past 28 years, it has created several important hallmarks that can speak of the positive impacts it has made on the lives of the people and on the environments in which they live. We shall continue our efforts to achieve more and better; and in so doing, we will continue adopting our simple development strategy involving social mobilization, capacity development and institution building at the local level. Needless to mention, our efforts and ability to bring about a positive change will critically hinge on the continued support and encouragement of our partners, donors and well-wishers.

A handwritten signature in black ink, appearing to read 'Hari Krishna Upadhyaya'.

**Hari Krishna Upadhyaya, PhD**

Executive Chairperson

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# ACRONYMS

ADS	Agriculture Development Strategy	iDE	International Development Enterprises
AEC	Agriculture Enterprise Center	IPM/IL	Integrated Pest Management/Innovation Lab
ASIA	Association for International Solidarity in Asia	IM	Inclusive Markets
BCES	Building Community Enterprises of Smallholders	IRRI	International Rice Research Institute
CBS	Central Bureau of Statistics	KISAN	Knowledge-Based Integrated Sustainable Agriculture in Nepal
CC	Collection Centre	M4P	Making markets work for the poor
CE	Community Enterprises	MFI	Microfinance Institute
CRP	Community Resource Person	MIT	Micro Irrigation Technologies
CEAPRED	Center for Environmental and Agricultural Policy Research, Extension and Development	MoALD	Ministry of Agriculture and Livestock Development
CO	Community Organization	MOU	Memorandum of Understanding
CIMMYT	International Maize and Wheat Improvement Center	MPC	Market Planning Committees
RMS	Resilient Mountain Solution	MT	Metric Ton
DADO	District Agriculture Development Office	NARC	Nepal Agricultural Research Council
DAG	Disadvantaged Groups	NGO	Non-governmental Organization
DAO	District Administration Office	NRs.	Nepalese Rupees
DCRA	Development of Climate Change Resilient Agriculture in Nepal	NSAFP	Nepal Seed and Fertilizer Project
DCC	District Coordination Committee	NSB	National Seed Board
DFID	Department for International Development	NTCDB	Nepal Tea and Coffee Development Board
DoA	Department of Agriculture	PGS	Participatory Guarantee System
EU	European Union	PMCA	Participatory Market Chain Approach
FFD	Farmers' Field Day	RF	Resource Farmer
FG	Farmer's Groups	SDC	Swiss Agency for Development and Cooperation
FY	Fiscal Year	SDG	Sustainable Development Goals
Ft F	Feed the Future	SIS	Small Indigenous Species
HRD	Horticulture Research Division	SQCC	Seed Quality Control Center
GoN	Government of Nepal	ToT	Training of Trainers
GAP	Good Agricultural Practices	TCF-ADS	Technical Cooperation Facility to the Agriculture Development Strategy
HH	Household	USAID	United States Agency for International Development
ICIMOD	International Centre for Integrated Mountain Development	WI	Winrock International

# INTRODUCTION

## INTRODUCTION

The Center for Environmental and Agricultural Policy Research, Extension, and Development (CEAPRED) is considered a leading national non-governmental organization (NGO) in Nepal. Established in April 1991, it is one of the first NGOs in the country to work in the agricultural sector. Since inception, its programmatic focus has been on sustainable poverty reduction, livelihoods enhancement, and improvements in food and nutrition security. CEAPRED has taken a number of pioneering initiatives, ranging from the off-season commercial vegetable farming starting from eastern Nepal in the early 1990s to vegetable seed production, livestock farming, climate resilient agriculture, and adoption of market for the poor (M4P) approaches in recent years.

CEAPRED, registered with the District Administration Office of Lalitpur (Reg. No. 130/047/48) and with the Social Welfare Council (Reg. No. 478) as a not-for-profit organization, has its own statute and regulations in compliance with government regulations and approved by its General Assembly. The Executive Board consists of seven members elected every four years by the General Assembly and is led by a Chairperson, who is also the Chief Executive of the organization. The Executive Board, including the Chairperson, works on a voluntary basis. CEAPRED has sustained its institutional status as a non-political, non-profit, inclusive and value-driven organization. Transparency, accountability, and voluntary social service constitute the core elements of CEAPRED's organizational values and norms.

## VISION

CEAPRED's vision is high, inclusive and sustainable rural and agricultural growth contributing to poverty alleviation and livelihood improvement of the poor in Nepal.

## MISSION

CEAPRED's mission is to widen improved, sustainable livelihood options for poor and disadvantaged communities in a gender-sensitive and environment-friendly manner.

## OBJECTIVES

The overall objective of CEAPRED is to reduce poverty, enhance food and nutrition security, and empower women, deprived and disadvantaged communities of Nepal. In this regard, the specific objectives are:

- To promote commercial high-value agriculture, livestock, and agro-processing activities based on local comparative advantages;
- To introduce production technologies that safeguard human health and the environment;
- To design and deliver specialized package of development services to ensure active participation of women, deprived and disadvantaged groups of people in decision-making and benefit sharing; and
- To organize, train and institutionalize local community groups so that development comes out locally owned, managed and sustained.

## TARGET BENEFICIARIES

CEAPRED's primary beneficiaries include disadvantaged and marginalized communities, especially women, dalits and minority ethnic groups. The secondary beneficiaries consist of private sector organizations and business communities engaged in value chain; and local NGOs, CBOs, cooperatives, and other types of community groups that can serve as conduits for development service delivery at the local level.

## THEMATIC AREAS

CEAPRED has been implementing its projects mainly under following three thematic areas:

- Poverty Reduction and Livelihoods Enhancement,
- Sustainable Ecosystem and Environmental Management, and
- Action/Policy Research.

## PROGRAM IMPLEMENTATION STRATEGY

CEAPRED's choice of program implementation strategy is basically guided by the need to make the service delivery system transparent, people-centered and responsive to people's capacity and organizational development needs at the local level. The main rationale for adopting such an approach is the widespread recognition that sustainable development, including poverty reduction, is an internal and human process and that it has its roots on people's own initiatives. The process, if not internalized by the people, would be prohibitively costly and might lead to little or unsustainable impacts. Based on the lessons learnt from successful cases from both within and outside Nepal, CEAPRED has developed a three pronged-strategy and adopted it while implementing development programs. In simple operational terms, the three elements of the three-pronged strategy are defined as (i) social mobilization, (ii) capacity development, and (iii) local institution building.

### SOCIAL MOBILIZATION

Social mobilization is often times understood and interpreted too narrowly as group formation and, in some cases, implementation of start-up activities, such as exposure visits, groups meetings and saving and credit mobilization. However, the concept is far broader in scope and much more encompassing in output than group formation. It is preparing and psychologically empowering the people for development, it is bringing them to a state where they possess a forward-looking and positive attitude, and it is a state where they know their own development potentials, priorities and constraints. Overall, it is setting the stage for sustainable development.

### CAPACITY DEVELOPMENT

At the end of the social mobilization, the people would be able to identify and prioritize their local development opportunities but they may not possess the required capacity and skills to implement these opportunities in reality. Capacity development is, therefore, the next important step and has several dimensions, including technical (training, extension, exposure visits etc.), financial (group savings and credit operations, linkages with financial institutions etc.), infrastructural (small irrigation, roads, drinking water, collection centers, etc.) and organizational.

By the end of this phase, the people would have realized significant economic gains from the new opportunities identified and implemented by them, and they would have the capacity and skills to continue and scale up the activities. They may not need external support for the same purpose.

### LOCAL INSTITUTION BUILDING AND STRENGTHENING

Once the economic gains are realized, there is usually a tendency among the people to make efforts to sustain these gains. However, a number of factors—both within and outside their local control—may render their effort and the associated economic gains unsustainable in long run. One possible mechanism to ensure sustainability is to institutionalize these activities at the local level; that is to create an institution, collectively owned and managed by local people. Evidences have shown that such an institution has the ability to absorb random shocks by keeping its members prepared to collectively face and resist against such shocks. Lacking an institutional ground, individuals (or groups) often tend to break away, as and when negative forces come to play against them, leading to the slackening or discontinuation of present activities and ultimately making the impacts unsustainable.

## PROGRAM COVERAGE

Over the period of 29 years of operations, CEAPRED has successfully implemented a total of 104 development and research-oriented projects in 62 districts of Nepal, directly benefiting 485,113 households and generating incremental incomes valued at billions of rupees annually. A large number of our projects were devoted to income generation activities through commercial high-value agriculture and agro-enterprise promotion and creation and expansion of new market infrastructures and channels to strengthen community value chains. In the process, a large number of social, physical and economic infrastructures have been developed. The cumulative benefits of all this have been translated, in most cases, into visibly improved livelihood and well-being of the project beneficiaries

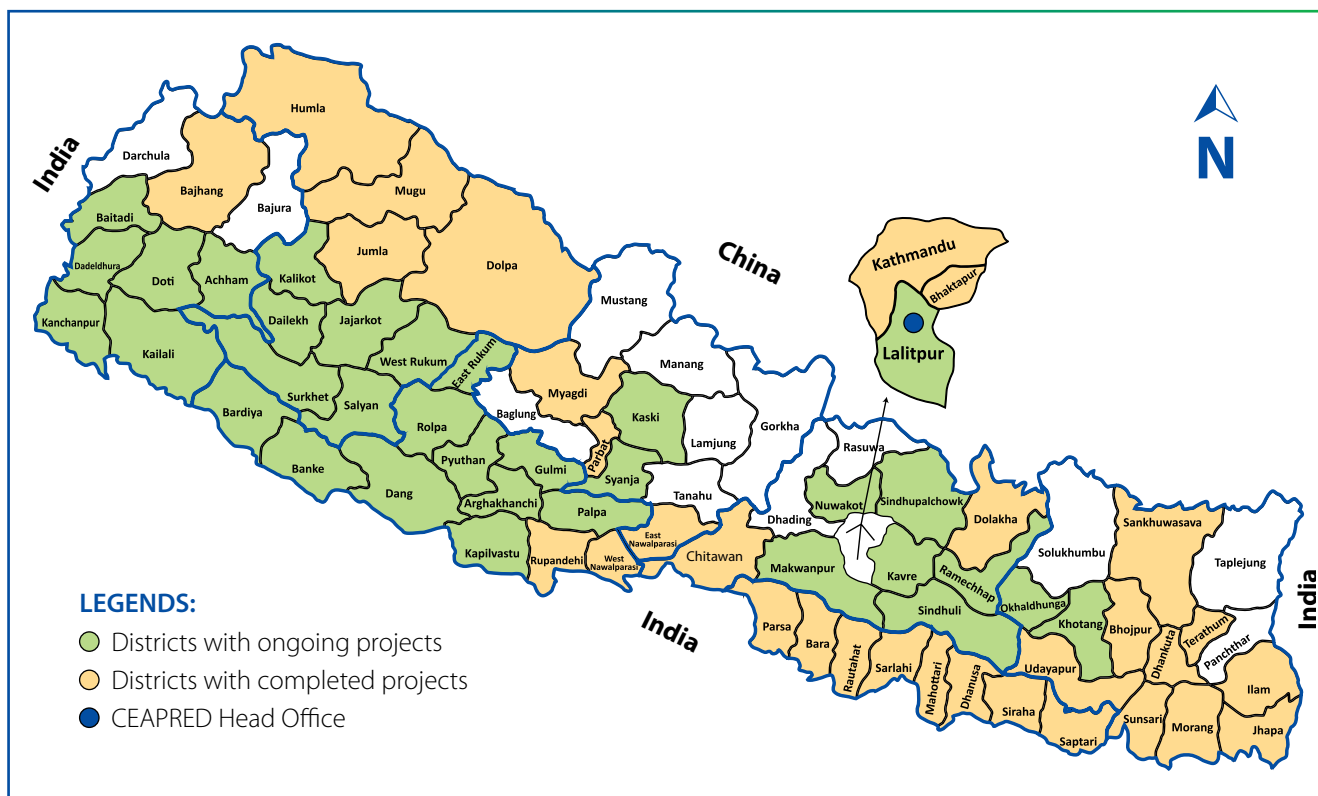


Figure 1: CEAPRED Operations in Nepal, as of July 2019

### CEAPRED AT A GLANCE AS OF JULY, 2019 (CUMULATIVE)

Indicators	Unit	Total (Cumulative) as at July 2019	Remarks
Districts covered	No.	<b>62</b>	
Households Covered	No.	<b>485,113</b>	<b>100%</b>
	Dalit	91909	<b>19%</b>
	Janajati	145977	<b>30%</b>
	Others	247227	<b>51%</b>
	Female Members	316707	<b>65%</b>
Groups formed	No.	<b>20,962</b>	
Cooperatives Registered	No.	<b>347</b>	
Female members	No.	15,997	
Male members	No.	17,971	
Grand Total		<b>33,968</b>	
<b>Marketing Committees formed</b>	<b>No.</b>	<b>308</b>	
	Female Members	964	
	Male Members	1474	
	Total Members	2438	

Indicators	Unit	Total (Cumulative) as at July 2019	Remarks
<b>CBOs Registered</b>	<b>No.</b>	<b>581</b>	
Female Members	No.	11246	
Male Members	No.	3740	
Total Members	No.	14986	
<b>Training Organized (Events)</b>	<b>No.</b>	<b>147,725</b>	
Dalit Female Members	No.	152214	
Janajati Female Members	No.	597284	
Other Female Members	No.	807335	
Dalit Male Members	No.	55988	
Janajati Male Members	No.	215731	
Other Male Members	No.	407073	
<b>Total Participants</b>	<b>No.</b>	<b>2,235,625</b>	
<b>Total Infrastructures Developed</b>	<b>No.</b>	<b>82147</b>	
Micro-Irrigation Support (waste water collection pond, Treadle pumps, Drip irrigation, Sprinkler irrigation, Surface irrigation)	No.	<b>77240</b>	
Culverts/Foot bridges	No.	<b>34</b>	
Cooperative/Community/Collection Center	No.	<b>611</b>	
Micro-hydro power	No.	<b>10</b>	
Drinking water schemes	No.	<b>1352</b>	
Improved Animal sheds	No.	<b>2907</b>	
Saving and credit Mobilization	<b>NRs. (In mil)</b>	<b>642</b>	
savings	NRs. (In mil)	381	
Credit	NRs. (In mil)	261	
<b>Income Total during project period (28 years cumulative)</b>	<b>NRs. (in bil)</b>	<b>19.78</b>	
Income from Vegetable/Spices/Fruit	NRs. (in bil)	16.78	
Income from Vegetable seeds	NRs. (In mil)	770	
Income from Livestock	NRs. (In mil)	182	
Income from Off-farm activities	NRs. (In mil)	112	
Income from Fish	NRs. (In mil)	30	
Income from Coffee	NRs. (In mil)	49.7	
Rice	NRs. (In mil)	1417	
Maize	NRs. (In mil)	234	
Lentils	NRs. (In mil)	240	

(Note: The income above is the cumulative generated by the beneficiaries during implementation period of each project periods from 104 projects since 1991)

# OVERVIEW OF PROGRAMS/PROJECTS IN 2018-2019

**THEMATIC AREA I:  
POVERTY REDUCTION  
AND LIVELIHOODS  
ENHANCEMENT**

**THEMATIC AREA II:  
SUSTAINABLE ECOSYSTEM  
AND ENVIRONMENTAL  
MANAGEMENT**

**THEMATIC AREA III:  
ACTION/POLICY  
RESEARCH**



# THEMATIC AREA I: POVERTY REDUCTION AND LIVELIHOODS ENHANCEMENT

Figure 2 - A farmer from Sindhuli carrying cauliflowers for sale in the market



The majority of the projects and programs implemented by CEAPRED have been directed towards rural poverty reduction and livelihoods enhancement through economic empowerment of the rural poor. The associated activities have been focused on high-value commercial agriculture, including commercialization of cereals and legumes (rice, Maize, lentil etc.), fresh vegetables (seasonal and off-season) vegetable seeds, goat farming and promotion of climate resilient agriculture. CEAPRED has been heavily involved in the promotion of market-oriented production system in the agricultural sector, thus providing access to market for the produce of rural poor. CEAPRED's work with landless and near-landless households is focused mostly on the activities such as home gardening, group savings, small livestock rearing, and micro-enterprise development.

CEAPRED's livelihoods enhancement programs have brought visible positive changes in the household economy of beneficiaries, and contributed to significant improvements in the social, economic and psychological conditions of the poor, women and disadvantaged. Women, ethnic minorities and vulnerable groups are CEAPRED's primary target groups. Many members of such groups, who hardly participated in public activities in the past, are now holding executive positions in community organizations and are able to claim their share of developmental benefits. In most of the areas, social and gender discriminations have been reduced, and the poor are making their voices heard. Increased household incomes have contributed to improved food and nutrition security, education, health and sanitation.

## **Technical Cooperation Facility to the Agriculture Development Strategy**

Technical Cooperation Facility to the Agriculture Development Strategy is a three years' project (1 April 2019 – 31 March 2022) funded by the delegation of European Union to Nepal. CEAPRED in association with DT-Global and AEC will provide technical assistance to MOALD and seven provinces for implementation of ADS throughout the country. As the overall objective of the project is to contribute to poverty reduction, food and nutrition security, climate resilience, improve the competitiveness of the sector and to generate higher and more equitable incomes in rural areas of Nepal; TCF-ADS will support the federal, provincial and municipal governments to attain the above results.

## **Knowledge-based Integrated Sustainable Agriculture in Nepal (KISAN II)**

The Knowledge-Based Integrated Sustainable Agriculture in Nepal (KISAN - II) project is a Feed the Future Initiative funded by the USAID. A consortium of national and international organizations including Winrock International as the lead and CEAPRED as the main national partner has been implementing the project. It is a five-year project started in August 2017 and being implemented in 25 hills and Terai districts of four provinces (3, 5, 6 and 7), of Nepal aiming to cover about 200,000 households.

Project's approach begins with the identification of constraints within key market systems and then addressing those constraints through project initiatives. At the core of the private sector-led facilitative approach is promoting the business case for buyers, intermediaries, and service providers to improve their business outcomes through substantial engagement with producers and other value chain actors. KISAN II engages partners across components, holistically supporting market system



*Figure 3: A delighted farmer holding her produce in Bardiya*



*Figure 4: A cheerful farmer in his commercial tomato production farm*

development by addressing issues related to marketing and business capacity, farm-level productivity, enabling environment, support for resiliency and integration of poor, marginalized populations and adaptive management to ensure maximum impact.

## THE MAJOR ACCOMPLISHMENTS OF KISAN II:

1. The project has established 104 partnerships (96 grants and 8 MOU's) with private sectors that has directly benefitted 133,545 households.
2. 3,504 groups have been formed reaching 81,414 farmers in 138 municipalities.
3. With the objective of building the capacity of private sector partners to address market constraints and reach farmers through them; the project has built the capacity of 143 extension workers from agrovets, cooperatives, and rice millers through six events of 3-day Training of Trainers (ToT), enabling them to deliver quality inputs and services to their respective farmers. Moreover, the project has also trained 49,029 participants including smallholder producers, private sector proprietors and government staff (72% women and 58% minority ethnic groups).
4. Identified 10 Banks and Financial Institutions (BFIs) and Cooperatives to expand credit to rural farmers through innovative products such as digital financing, cooperative wholesale lending etc.
5. Private sector extension staff conducted 2,867 field demonstrations on improved varieties, crop production, and management practices in their respective districts.
6. 35 irrigation schemes were installed in eight districts, benefitting 502 households and irrigating 112 hectares of land.
7. The project launched Business Literacy training for farmers in February 2019. It started with two months' business development course focused on potential commercial farmers who already have basic literacy skills.
8. To improve the functional linkages with all three tiers of GON, the project teams have been working closely with them. The implementation plans were shared with related agencies in the beginning of the year. Project progress is shared at all level periodically, joint monitoring of the field activities is done on regular basis and project teams participate in the review meeting organized by all three tiers of GON. Besides, Municipalities have been collaborating with the project and investing their resources on the project activities e.g. construction/installation of irrigation schemes.

9. The Government of Nepal Honorable Minister, Chakra Mani Khanal, U.S. Ambassador to Nepal, Randy Berry, along with MOALD Secretary, Joint Secretary and Under Secretary, Regional Director of Nepal Agriculture Research Center Banke, and USAID personnel visited

KISAN II partners and farmers. The visit provided the project an opportunity to highlight market systems development approach and project activities with private sector actors.



Figure 5: Training on use of Coco-peat for seedling production of vegetables, Kavre

## Success Story

### *Vegetable cultivation on leasehold land: Deshraj Kushmi, Jan Uthan Farmers Group Joshipur-1 Kailali*

Mr. Deshraj Kushmi, resident of Joshipur-1, Kailali, under R.H. Agrovet, had taken agricultural land (20 Kattha) on lease. He cultivated cauliflower, cabbage, Brinjal, tomatoes, chili and cucumber in his land. Through technical support of R.H. agrovet Joshipur, one of the MoU partners of KISAN II, he learnt several improved technologies and applied them into the field. He cultivated improved varieties of cauliflower and produced 45 quintal and sold at a farm gate price of NPR 20/ Kg on an average and earned NPR 90,000. Similarly, he produced 10 quintals of tomatoes and sold at an average farm gate price of NPR 25, and earned NPR, 25000; 500 Kg chilly at 70/Kg and earned NPR.35,000 and from leafy vegetables he earned about NPR 10,000, Hence, his total earning from all these high value vegetable crops was about NPR.162,000 within a period of 6 months with an investment of about NPR 53,500 on different inputs like; fertilizer and micronutrient, fuel and irrigation.



Figure 6: Mr. Desh Rah Kushmi in his vegetable field

## Sahaj – Nepal Agricultural Markets Development Program (NAMDP)

The Nepal Agricultural Market Development Program (NAMDP), also known as Sahaj, aims to facilitate increased engagement of smallholder farmers, especially women-led production units and people from disadvantaged backgrounds, in commercial agriculture. The project does this by making markets more accessible to smallholders, which allows them to improve their competitiveness and income from farming. It adopts an 'Inclusive Markets' approach, commonly referred to as the Making Markets Work for the Poor (M4P) or Market Systems Development (MSD) approach.

Sahaj is a joint initiative of the Government of Nepal and the Government of Switzerland. It is mandated by the Swiss Agency for Development and Cooperation (SDC) and is designed as a 12-year program with three consecutive phases of 4 years each. The first phase of the program started from March 2016 and will continue until December 2019. This phase has been working in three core sectors (goat, maize, and vegetables) and two cross sectors (crop protection and post-harvest). Swiss Contact as consortium lead and CEAPRED as consortium member are jointly implementing this project.

### THE MAJOR ACCOMPLISHMENTS OF SAHAJ:

1. The programme has reached to 14,000 farming households, out of which over 10,000 have increased their income because of the opportunities facilitated by Sahaj. It has facilitated small farmers to increase their participation in commodity markets and cross-sectors by designing interventions that offer affordable agro-inputs and services, provide embedded extension services and knowledge, expand distribution, or offer improved access to markets for end products to the poor farmers.
2. Sahaj has collaborated with more than 110 market actors as primary partners in the fiscal year 2075/076.
3. The Inclusive Markets approach, also known as M4P and MSD, facilitates development. Following this logic, our partners have invested 55% of the total cost of pilot interventions. This initiative contributes to reduce dependence of the partners upon an external donor and contributes to sustainable development.
4. The programme initiated 13 pilot interventions in the fiscal year 2075/76. Sahaj has been encouraging pilot intervention to understand and address the underlying causes of the core problems in the sectors and cross-sectors it works in.



Figure 7: Technician from Paicho Pasal (KISAN II grantee) facilitating farmers' training



Figure 8: Improved Pure boer buck for breeding purpose at Asmita Bakhra Farm of Bheriganga Nagarpalika in Surkhet district

## Success Story

### *Mannu Devi finds a lasting solution to Pest Attack*

Mannu Devi Chaudhary of Kailali got married at a young age of 16 to her neighbor Lautan Chaudhary. Immediately after the wedding, she had to look after her new family and was primarily involved in agriculture on 4.0 ropanies of land. After few years, Mannu Devi formed a farming group for women named Him Chhuli Mahila Krishak Samuha in her village in Janaki Gaunpalika-2, Kailali. "After forming the group six years ago, I am actively involved in it and our members have grown from 5 to 25 within the period," she shared. However, repeatedly Mannu Devi and her fellow farmers were forced to bear loss due to pest attack on their crops like cucumber, chilly and tomato. Although they tried different solutions available locally, none of them was working. In August 2018 alone, Mannu Devi lost 88 kg of tomatoes due to pest infestation.

Fortunately, she came across Arjun Chaudhary, a field staff of NMS Agro Private Limited, an importer of agriculture inputs that includes crop protection units. It imported products such as organic neem-based pesticides, pheromone traps and lures, and garden tools from India. The company was based in Jhapa, in Province 1 and had its distribution network in 30 districts of Nepal. Arjun recommended Mannu Devi to use pheromone trap as well as other products like neem dust and neem liquid from the NMS Agro's basket to get rid of the problem. She followed his recommendation and even invited him to her group meeting. "He cleared various misconceptions regarding pest management and gave similar advice to my fellow farmers," said Mannu Devi.

The meeting with NMS field staff proved to be a turning point for Mannu Devi as well as the farmers of the group she formed. The farmers are now in touch with the NMS field staff regularly for not only the pest-related problems but also other agricultural dilemmas. "More field staff like the one from NMS Agro should visit us in order to help us to adopt better farming practices," said Mannu Devi who continues to use pheromone trap to protect her crops—chilies and tomato—from pest attack.

Mannu Devi claimed that she has saved around 50kg of tomatoes and 30kg of chilies after using NMS Agro's products and it has increased her income by NRs. 5,000 compared to previous year's earning from these crops alone. In addition, the cost incurred while using crop protection products has gone down by NRs. 500 during the period.

Sahaj signed a partnership agreement with NMS Agro on March 20, 2017 to ensure that marginal farmers like Mannu Devi and her friends—Asha Chaudhary, Sita Chaudhary, Shyam Lali Chaudhary, Deshni Chaudhary, Sonia Devi Chaudhary and Pratima Dangaura—get expert advice from the latter's field staff to adopt better agricultural practices. Currently, NMS Agro is receiving marketing support and refinement in their business model along with financial as well as strategic support from Sahaj. Sahaj, with the support of private entrepreneurial partner such as NMS Agro, hopes to enhance knowledge of farmers regarding the judicious use of crop protection inputs and improve farmers' access to quality crop protection inputs. NMS Agro imports various agricultural products from Agriland Biotech Limited, an Indian firm providing biological solutions to plant protection and plant nutrition. During his visit to Sahaj's office, Ramji Mangukia, director technical at Agriland Biotech said that pheromone traps can be used for two purposes—inspection of insects and mass trapping of insects. "Mass trapping is more like a community-based activity where fruit flies in the entire area are trapped providing permanent solution to pest attack," said Mangukia. "The trap also helps to identify different kinds of pests rampant in the area."



*Figure 9: Ms. Mannu Devi in her vegetable field, Kailali*

## ***Feed the Future – Nepal Seed and Fertilizer (NSAF) Project: The Vegetable Subsector Program***

The NSAFP, funded by USAID for five years period is being implemented in Nepal by a consortium of four partners including International Maize and Wheat Improvement Center (CIMMYT) as the lead and International Rice Research Institute (IRRI) for rice, Nepal Agriculture Research Council (NARC) for lentil, and CEAPRED for vegetables (cauliflower, tomato and onion) since 2016. The vegetable component, focused on three major vegetables of Nepal, Tomato, Onion

and Cauliflower is being implemented six districts namely Baitadi, Dang, Rukum, Palpa, Nuwakot and Sindhupalchowk. The project has been working in close coordination with Horticulture Research Division (HRD) of Nepal Agriculture Research Council (NARC) evaluating the performance of promising varieties of vegetables and demonstrating them at the farmers' fields in the potential pockets for upscaling and increasing production and income of the farmers.



*Figure 10: Varietal demonstration of cauliflower conducted at Simle, Rukum*



*Figure 11: Demonstration of off-season tomato production at Palanse, Dang*

The project is well coordinated with local governments; all of them have endorsed the project's activities and have committed to provide proper coordination and cooperation.

### **THE MAJOR ACCOMPLISHMENTS OF NSAFP:**

1. 7,919 Kgs of fresh cauliflower was produced and sold in the project area; the beneficiaries got a return of about NRs. 400,000.
2. About 12,928 Kgs of fresh tomato was produced in the project location and sold in the nearby market. With the introduction of tomato hybrid seed production technology, about 600 gm of hybrid seeds was produced. Moreover, the estimated gross return from the produced seed was about NRs. 60,000.
3. In the FY 2017/18, about 24,191.1 kgs of fresh vegetables was produced by the farmers with the estimated gross return of NRs. 1,055,422.
4. 81 farmer groups were mobilized and benefitted through different technical trainings, meetings, workshops & demonstrations.

## Building Community Enterprises of Small holders (BCES)

Centre for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED) has successfully completed its 3 years' Building Community Enterprise of smallholders (BCES) project starting from 1 October 2015 to 30 September 2018. The project was funded jointly by BMZ and WHH with 75% and 25% respectively. The overall purpose of the project was to combat against poverty and food insecurity of the most vulnerable sections of the society in Salyan and contribute to improvement of income and livelihood of the target groups. Project interventions were carried out in two rural municipalities and one municipality of the district through 105 farmers' groups comprised of 2,736 households including 2,129 (78%) female and 607 male members. During the project period, 105 farmers' groups were mobilized effectively for increased production of fresh vegetables, spices and seeds of different vegetable crops. 105 resource farms have been established

for demonstration of technologies and three community enterprises established for production, processing and marketing of three different agricultural products - fresh vegetables, vegetable seeds and spices. Twelve Collection Centers were established and made functional to facilitate marketing of surplus production of smallholder farmers and 30 CRPs were developed to support the Community Enterprises, Collection Centers and the producer farmers in technical as well as managerial aspects.

The project was successful in achieving its targeted objective and impacts by judicious use of available resources within specified period. Farmers, CRPs, CEs and CCs were well capacitated to continue and operate the identified Agribusiness, even after the phase-out of the project. The Community Enterprise will continue functioning and assisting beneficiaries for marketing of the farm products.



Figure 12: Demonstration on improved farming of Tomato, Salyan

## Success Story

### *Commercial vegetable farming putting a halt to foreign employment*

Ms. Nirmala KC, 28, resident of Dhorchour Village municipality-1, is a resource farmer of Sayapatri farmer group in Banjhkanda. She was 18 when she got married and started to live with her husband. She has been living there since 10 years now. Initially she was working in three ropani of land with her husband, growing cereal crops for home consumption and had few goats and ginger for cash income. Unfortunately, it did not last long. With the increase in family members, their income became insufficient to sustain their lives. It went downhill with the birth of their third child. She became more involved in looking after her children, while her husband alone was involved in their subsistence farming. They did not have sufficient income to look after their children properly and provide good education. With no other options remaining, she decided to send her husband abroad for employment.

Four years had already passed, when CEAPRED started implementation of BCES in her village. After participating in the inception workshop of the project, she showed her interest to be involved in BCES activities. After a month of starting of the project, she was selected as a resource farmer and started to participate actively in the project activities like trainings, meetings and demonstration of commercial vegetable farming. She started her commercial vegetable production for the first time with tomato production in two plastic tunnels of 6mx12m plastic sheet and some Cole crops in about 1.5 ropani of land. With inputs and technical support from the project and her hard work, she was able to produce good quantity of vegetables in a single season. She was extremely happy with her production and was even more pleased when she earned around NRs. 70,000 from the sale of fresh vegetables. She expressed that the amount she earned in a single month was four times the amount she received from her husband every month. With this success in the first time, she committed herself in this business and increased her land for vegetable production to two ropani in the next season. By the end of one year, she earned around NRs. 150,000 from the sale of vegetables. She shares that she was not happy to send her husband away for foreign employment but had no other option to sustain her family. However, after learning about commercial vegetable farming, she is more confident than ever and plans to call her husband back and work together in the farm. She is confident that together with her husband, her earnings will further increase in the coming years. Although she had asked her husband to go abroad, after receiving trainings and assistance from CEAPRED, she feels happy that she can call him back in order to work together and build a secure future for their family.



**Figure 13: Nirmala KC in her vegetable farm in Dhorchour Village, Salyan**

## ***Hamro Coffee - Expanding Opportunities for Nepalese Coffee Farmers and Traders***



*Figure 14: Farmers picking ripe coffee cherries using Harvesting Bag*

Hamro Coffee- Expanding Opportunities for Nepalese Coffee Farmers and Traders was a two years' project from March 2017 – June 2019, funded by the delegation of the European Union. The project operated in six districts of Nepal- Kaski, Syangja, Lalitpur, Kavrepalanchok, Sindhupalchowk and Nuwakot. The overall objective of Hamro Coffee was "Increased income of small holders through an enhanced, market driven specialty coffee sector." ICCO cooperation together with co-applicants Center for Environmental and Agricultural Policy, Research, Extension and Development (CEAPRED) and Nepal Coffee Producers Association (NCPA) aimed to achieve this goal by realizing outcomes and activities that expand across production, processing, marketing and institutional strengthening. The action was primarily focused on enhancing the quality and quantity of coffee cherries produced, and upgrading primary processing to ensure quality of green beans that would lead in the long term to increased demand of unique Nepalese feature specialty coffee in the domestic and international niche markets. Further, the implementation of proposed project was to remove access barriers from "Farm to Cup" and embed knowledge, skills, technologies and linkages across all the actors in the coffee value chain.

### THE KEY SUCCESSES OF THE PROJECT ARE AS FOLLOWS:

1. Better organized and capacitated primary coffee cooperatives/ farmer groups and technically guided the producers at local level on orchard management and improved farming practices.
2. Developed Coffee Production Manual in coordination with Nepal Tea and Coffee Development Board (NTCDB).
3. Established better information and service channels for input supply through ESPs in collaboration with the private sector.
4. Quality management at farm level: grading and sorting techniques with piloting prototype of Coffee Harvest Bag among coffee farmers for increased efficiency.
5. Reduction of quality loss at primary processing centers and successive processing and storage services, through the upgrade of 14 primary processing centers.
6. Trainings on quality control aspects and good management practices in ensuring the quality of the specialty coffee for lead farmers, pulping operators, cooperatives and traders.
7. Trainings on preliminary Quality grading, cupping, preparing micro-lot samples and record keeping ensuring traceability.
8. Establishment of national level database Coffee Management Information System (MIS) platform under the ownership of Nepal Tea and Coffee Development Board.
9. Organization of Coffee Boot Camp, a weeklong business development workshop, for 10 coffee entrepreneurs to support them in development of their business strategy.

10. Coffee Profiling and Cupping certification of different samples from project districts based upon the quality attributes of the coffee they produce.
11. Identification of viable products for coffee tourism (Nuwakot, Kaski) and promotion of Nepalese especially coffee in trekking and hiking routes (Ghandruk, Mardi, Ghale Gaun).

### KEY RESULTS:



**6000** farmers benefited from 14 primary processing Centers



**28** Extension Service Providers (ESPs) provided services to 73 Farmers groups and cooperatives



**79550** Coffee saplings planted under the supervision of ESPs



**3300** farmers trained on Orchard Management and Improved Farming practices



**300** farmers supported with Agro-tools



**30%** of harvest time saved through the use of Harvest bag



**4kgs** (approx) of additional coffee cherry yield per plant



**3350** farmers oriented on Coffee Production manual

Figure 15: A diagrammatic presentation of key results of Hamro Coffee



## THEMATIC AREA II: SUSTAINABLE ECOSYSTEM AND ENVIRONMENTAL MANAGEMENT

Figure 16: A Learning Center of Resilient Mountain Solution Project at Namobuddha Municipality, Kavre



Since its inception, CEAPRED has been collaborating with local communities and development organizations to improve environmental management. The associated projects/programs have ranged from community-based solid waste management launched in 1991 to climate change adaptation and mitigation program in recent years. The promotion and dissemination of local innovations, traditional knowledge and the skills combined with scientific technologies on the environment and human health-friendly farming practices constituted the core activities under this theme. Similarly, community-based and participatory cropping system improvement approaches promoted by CEAPRED, has been found useful in sustainable development and transfer of climate-resilient technologies in agriculture.



## Development of Climate Change Resilient Agriculture in Nepal (DCCRA)

Development of Climate Change Resilient Agriculture in Nepal (DCCRA) project funded by Italian Ministry of Foreign Affairs was implemented in three districts viz. Sindhupalchowk, Sindhuli and Kavre in partnership with, ASIA Onlus, OIKOS and Punto Sud, for the period of 24 months starting from April 2017.

In project districts, there were many challenges pertinent in vegetable production and marketing such as inaccessibility to markets, difficulty in obtaining fair prices for produces, practice of haphazardly using chemical fertilizers, pesticides and insecticides in notion of getting higher productivity, poor access to quality inputs, and inadequate number of collection centers, market price fluctuation and climate risks.

This project deliberately focused on some of the poorest and most disadvantaged communities, including different ethnic minorities in the districts. Anticipated outcomes from the project was achieved through mobilization of 161 groups by increasing the production of 13 selected crops, improved the marketing through strengthening the

capacity of 13 cooperatives, established 12 nurseries for quality seedlings supply and established nine model farms for demonstrations of improved climate smart technologies. During the course of the project, nine collection centers have been established for improved marketing together with seven small irrigation schemes to facilitate the farmers for increased production, increased consumption and sales, that has resulted to contribute to environmental protection, adaptation to climate change, food and nutrition security and improvement in livelihood as a whole.

The project is seen as having been relevant to priority needs of the target groups, addressing people's felt needs. Majority of the beneficiaries with new knowledge, confidence and skill on different climate smart agriculture technologies have been practicing improved and more diversified agricultural systems, with significant changes in terms of increased production of vegetables, spices and herbs and marketing for cash generation. Essential links were established in all the three project districts with external traders, the private sector and service providers.



Figure 17: Demonstration of Mulching practice in vegetable farm, Sindhuli



**Figure 18: Demonstration of Jholmal at the farmer's field, Sindhupalchowk**

Some of the most effective achievements of this project are the establishment of collection centers and introduction and adoption of Participatory Guarantee Systems (PGS) that helped beneficiaries actually come together to work collectively and produce safe and healthy products.

Overall, the project had a good balance between hardware provisioning, such as community managed small infrastructures, and software in the form of technical training, management skills and social mobilization. Given the poor levels of awareness before project, this combination was imperative, and the time invested by field staff in mobilizing

people and helping them compose and run self-help groups is a major achievement which will likely last and continue to benefit communities beyond the project period. A high proportion of households have reported a significant positive change to their average household income in the past two years. Reasons given for this include savings, increased food security (seeds and vegetables), new assets such as livestock and, most importantly, confidence in Agri-business. Household incomes has not only improved, but have also diversified. This initiative has made significant progress in helping people move to more secured, resilient and sustainable development.



Figure 19: Straw Mulching of Bittergourd in Kavre



## **THEMATIC AREA III: ACTION/POLICY RESEARCH**

CEAPRED has also accorded high priority to Action/Policy Research in areas of agriculture and environment. Besides generating policy recommendations through various action research and studies, CEAPRED has channeled them to plan, prioritize and implement the policies in their respective areas.

## Resilient Mountain Solution (RMS)

The Resilient Mountain Solutions (RMS) is a new initiative jointly piloted by CEAPRED and ICIMOD in Kavre and Dadeldhura districts of Nepal. The implementation of RMS has been started in January 2019 for a period of three years till the end of 2021. The initiative aims to equip people with simple and affordable technologies and knowledge required to build long-term resilience. Its overall goal is to enhance the resilience of women and men to socioeconomic and environmental changes, including climate change. To operationalize the initiative, it has five major components and one cross cutting component. The five major components are a) Knowledge generation and application, b) Building resilience through innovative solution packages, c) Gender, social inclusion and governance, d) Regional scaling and policy uptake, e) Communication and outreach; and the cross cutting component is on Capacity building. To obtain the goals, the project has started its activities in two districts namely Kavre and Dadeldhura.

### MAJOR ACCOMPLISHMENT OF RMS:

1. The program activities were designed based on the baseline study and vulnerability assessment of the pilot sites which was conducted in close coordination and consultation with respective Municipalities and other stakeholders present in the area.
2. The resilient technologies related to water management (drip irrigation, Mulching, waste water collection ponds for irrigation), crop management (inter-cropping, mixed cropping, crop rotation, application of Jholmal/bio-pesticides at different intervals and concentration), soil nutrient management (application of home-made bio-fertilizer at different intervals and concentration, use of improved compost) are being tested at the farmers fields and demonstrations conducted in collaboration with respective Municipalities.

*Figure 20: Joint Monitoring Visit by Mayor of Kavre along with CEAPRED staffs in the learning sites of RMS project*





*Figure 21: Visit of representatives from Agriculture Knowledge Center to Knowledge park at Kavre*

3. Participant farmers has been organized into groups, oriented on the effects of climate change on agriculture, natural resources and livelihoods and are registered with the municipalities for their legalization.
4. The farm products produced using organic inputs are collected at collection centers managed by the farmers. They are linked with the nearby larger markets for the sales and competitive prices.
5. RMS provides weather information, market price and technical information to participant farmers through SMS three days a week so that farmers can plan farming activities accordingly and negotiate the price of the farm products with the traders.
6. Regular trainings, exposure visits and review meetings are organized to capacitate the farmers and relevant service providers including Municipality staff for dissemination of the technologies.
7. The groups are linked with the insurance companies to ensure their crops and livestock. They are also linked with Biogas companies for promotion of biogas in the area.
8. RMS has also collaborated with Dabur Nepal to establish a community forest with herbal plantation in Dhulikhel Municipality.
9. Two knowledge parks have been established – one each in Kavre and Dadeldhura to demonstrate the package of resilient technologies at one place for learning purpose.
10. Many visitors from within Nepal and neighboring countries like Bhutan, Pakistan, Myanmar have visited the plot site and appreciated the climate resilient initiatives.

## The Asian Vegetable and Mango Integrated Pest Management (AVMIPM) – Innovation Lab, Nepal

CEAPRED, in partnership with iDE, has been piloting the Asian Vegetable and Mango Integrated Pest Management–Innovation Lab (AVMIPM-IL) program in Banke and Surkhet districts of Nepal. It is funded by USAID through Virginia Tech University. The project has been implementing ecological-based, participatory IPM, with a focus on pests (insect pests, pathogens, weeds) of different vegetable crops including tomato, eggplant, cabbage, cauliflower, beans, cucurbits, and onion. The AVM-IPM-IL project has been building on the previous IPM-IL research and capacity-building efforts since 2015 that have developed and released IPM packages in Bangladesh and Nepal.

The project has been undertaking adaptive research to tailor IPM practices and packages to local conditions, especially in the Feed-the-Future regions and districts. The IPM IL has been developing, adapting, and diffusing IPM technologies through close interaction among international and host-country scientists in public and private institutions and with the Feed-the-Future activities.

### THE MAJOR ACCOMPLISHMENTS OF THE AVMIPM-IL PROJECT:

1. Intensive training on IPM modules were organized in Banke and Surkhet districts in coordination with SUA AHARA II and ANUKULAN projects, respectively, with the objective to train the farmers on IPM packages, tools, methods and measures for postharvest handling and management. For the training, the commercial and progressive farmers were selected from SUA AHARA II and ANUKULAN project command areas in Banke and Surkhet districts, respectively.
2. Research trials on package development of French bean, onion, chilly, and management of fruit fly were conducted in Surkhet and Banke districts. The development of IPM package for chilly, onion, and French bean including crop production technologies and use of IPM tools for the management of insect pest and disease, was the main objective behind the package development trials.
3. To evaluate the efficacy of various lures for the management of fruit fly in cucurbits in Banke and Surkhet districts, three different available lures, i.e., composite cue lure, protein bait with Malathion, bacu lure, and one plot as pest pressure plot were considered as treatments. The bacu lure, among the three lures, was found to be relatively more efficient to trap the insect pests.
4. With the objective to test the efficacy of PEN to prevent the entry of insect pests of tomato crop and determine the economics of tomato production inside PEN, trials were carried out in both Banke and Surkhet districts. The PEN was found to be efficient to control the pest and produce quality products without any pest damages.
5. Similarly, for identifying the most effective pesticide to manage the Tuta pest, a bio-rational trial was carried out in both districts. The alternate sprays of the bio-pesticides were found to be equally efficient as the chemical sprays for the management of the Tuta pest.



Figure 22: Demonstration of Pest Exclusion Net technology in Tomato, Kavre

## Himalayan Climate Change Adaptation Program – Resilient Mountain Village (HICAP-RMV)

Aiming to help address climate change issues and implement the concept of “Climate Smart Village” through introduction of climate smart technologies in agriculture, ICIMOD and CEAPRED jointly designed a pilot project under HICAP in Kavre district in May 2014. With successful testing, demonstration and knowledge development for learning, sharing and upscaling the results, the project was completed in Dec 2018.

The project was piloted with 1094 HHs by providing Capacity building as well as orientation to farmer groups regarding climate change, IPM technology, Jholmal preparation, waste water collection, crop rotation, mixed cropping, exploration with Biogas Companies and livestock insurance companies. Among the successful results, adoption of Jholmal practice was 100% in the project sites and it was quickly adopted in several other project areas implemented by CEAPRED and other development partners in other parts of the country. Farmers have realized the importance of plastic tunnel and cowsheds management and have scaled it up on their own. As a result of wide use of Jholmal as fertilizer and pesticide, there is decreasing demand of chemical fertilizers and pesticides in the pilot sites and other project areas where



**Figure 23: Interaction with farmer in a monitoring visit by CEAPRED staffs, Kavre**

they were demonstrated. Similarly, mulching practices for conservation of moisture and saving labor, use of waste water for irrigation during dry seasons, improved nursery management for quality seed lines production, growing of vegetables based on market demand based cropping calendar are some of the other successful examples.

**Figure 24: Collection of fresh Squash produced by using organic inputs and preparing for sales in the market, Kavre**



# OTHER ACTIVITIES

CEAPRED has been equally giving emphasis on capacity building of the staff through creating opportunity to participate in national and international level workshops, trainings and exposure visits. Some of such events are summarized as follows:

## i) Participation in Asia Regional Workshop on the Preparation of the National Report on the Implementation of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA)

As a member of the Compliance Committee for the Asia Region, Mr. Anil Kumar Acharya, Program Coordinator, NSAFP, CEAPRED participated as a resource person in three days Regional Workshop on the Preparation of National Reports on the Implementation of the International Treaty on Plant Genetic Resources for Food and Agriculture held on 11-13 December 2018 at National Agriculture Science Complex, Pusa, New Delhi. The workshop was organized by the Secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) in collaboration with the Indian Council of Agricultural Research (ICAR) and the FAO Office in India.



Figure 25: Group members of Asia Regional Workshop held at New Delhi

## ii) Participation in Training on Agro- Ecological Approach for Sustainable Intensive Agriculture, Israel

Mr. Sunil Dhungel, Program Manager of CEAPRED participated in a training course on Agro ecological approach for sustainable Intensive agriculture organized on 21 Oct- 9 Nov, 2018 by MASHAV, Israel's Agency for International Development Cooperation, Ministry of Foreign Affairs at MATC - MASHAV's International Agricultural Training Center, Shefayim, Israel.

The main objective of the course was to build capacity of the participants to decrease negative impacts of intensive agriculture on environment and promote the development of a sustainable agriculture.



*Figure 26: 21 participants from 15 different countries in the training held in Israel*

## iii) Participation in Third Compliance Committee Meeting (International Treaty on Plant Genetic Resources for Food and Agriculture/ITPGRFA)

As a member of the Compliance Committee representing from the Asia Region, Anil Kumar Acharya (Program Coordinator, NSAFP) participated in the meeting held on 31 January -1 February 2019 organized by FAO Rome, Italy. The event was organized by the Secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).



*Figure 27: Participants from ITPGRFA, Rome, Italy*

# LIST OF MAJOR PROJECTS IMPLEMENTED DURING 2018–2019

S. N.	PROJECTS	DURATION	DONOR/ PARTNER	FUNDING AMOUNT	DISTRICTS COVERED	BENEFICIARY / PARTICIPANT HHS
<b>Thematic Area I: Poverty Reduction and Livelihoods Enhancement</b>						
1	Technical Cooperation Facility to the Agriculture Development Strategy (TCF-ADS)	Apr 2019 – Mar 2022	EU/ DT-Global	Euro 400,000	7 Provinces	Countrywide
2	Knowledge-based Integrated Sustainable Agriculture in Nepal (KISAN-II) Project	Aug 2017 – Apr 2022	USAID/ WI	USD 6.5 million	24	200,000
3	Nepal Agricultural Markets Development Program (NAMDP)	Mar 2016 – Dec 2019	SDC/ Swiss Contact	CHF 374,030	8	25,000
4	Building Community Enterprises for Smallholders (BCES)	Oct 2015 – Sep 2018	BMZ / WHH	Euro 240,594	1	2,700
5	Hamro Coffee	Mar 2017 – Mar 2019	EU/ ICCO	Euro 200,138	6	4,000
6	Nepal Seed and Fertilizer Project (NSAFP)	Mar 2016 – Mar 2021	USAID / CIMMYT	USD 295,752	5	4,000
<b>Thematic Area II: Sustainable Ecosystem and Environmental Management</b>						
7	Development of Climate Change Resilient Agriculture in Nepal (DCCRA)	Apr 2017 – Mar 2019	AICS / ASIA Onlus	Euro 296,045	3	4,500
<b>Thematic Area III: Action/Policy Research</b>						
8	Resilient Mountain Solution (RMS)	Jan 2019 – Dec 2021	ICIMOD	USD 300,000	2	2,000
9	Himalayan Climate Change Adaptation Program (HICAP-CRMV)	May 2014 – Dec 2018	ICIMOD	USD 288,145	1	1,000
10	Asian Vegetable and Mango Integrated Pest Management (AVM-IPM-IL)- Innovative Lab Nepal	Feb 2016 – Mar 2019	USAID / iDE	USD 48,000	2	Action Research

# AUDIT REPORT

## RajMS & Co., Chartered Accountants

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Email: rajms@wlink.com.np  
admin@rajms.com

### Independent Auditor's Report

To:

**The Members**

**Center for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED)**  
Lalitpur, Nepal

#### Opinion

We have audited the financial statements of Center for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED), which comprise of Statement of Receipt and Expenditure, Statement of Financial Position & Statement of Cash Flow for the period covering 1<sup>st</sup> Shrawan 2075 to 31<sup>st</sup> Ashad 2076 and notes to financial statement, including a summary of accounting policies.

In our opinion, the accompanying financial statements of the organization, present fairly, in all material respects, the financial position of CEAPRED as at 31<sup>st</sup> Ashad 2076 and of the funds received and expenditures incurred for the period covering 1<sup>st</sup> Shrawan 2075 to 31<sup>st</sup> Ashad 2076, in accordance with Generally Accepted Accounting Principles.

#### Basis for Opinion

We conducted our audit in accordance with Nepalese Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Financial Statements section of our report. We are independent of CEAPRED in accordance with Code of Ethics for Professional Accountants issued by Institute of Chartered Accountants of Nepal (ICAN), and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and those charged with Governance for the Financial Statements

The management of CEAPRED is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  
CA. Mahesh Gudar  
Partner  
RajMS & Co.  
Chartered Accountants



**Date:** August 25, 2019  
**Place:** Lalitpur, Nepal

**Center for Environmental and Agricultural Policy  
Research, Extension and Development (CEAPRED)**

**Balance Sheet**  
As at 31 Ashad 2076 (16 July 2019)

(Amount In NRs.)

Capital and Liabilities	Sch.	As at Ashad 31, 2076	As at Ashad 32, 2075
<b>Un-Restricted Fund</b>			
General Fund	1	100,109,198	88,646,921
<b>Restricted Fund</b>			
Capital Fund		5,800,882	6,349,002
Staff Welfare Fund	2	2,054,750	1,888,859
Dr. H.K. Upadhyaya Trust Fund	3	4,481,802	3,462,818
Staff Severance	4	2,738,426	3,274,677
SEED Revolving Fund	5	1,061,636	1,053,732
Climate prize Fund for upscaling of RMV		1,334,954	1,334,954
<b>Total Liabilities</b>		<b>117,581,648</b>	<b>106,010,965</b>
<b>Assets</b>			
<b>Fixed Assets</b>	6	<b>22,344,831</b>	<b>22,824,474</b>
<b>Investments</b>	7	<b>46,370,377</b>	<b>9,370,377</b>
<b>Current Assets</b>			
Cash and Bank Balances	8	22,927,923	70,245,500
Advances & Receivables	9	36,988,429	25,948,257
Grant Receivable	10	33,614,196	18,159,270
<b>Total Current Assets (A)</b>		<b>93,530,547</b>	<b>114,353,027</b>
<b>Less: Current Liabilities</b>			
Payables	11	40,812,457	23,877,370
Deferred Income	12	3,851,650	16,659,544
<b>Total Current Liabilities (B)</b>		<b>44,664,107</b>	<b>40,536,914</b>
<b>Net Current Assets (A-B)</b>		<b>48,866,440</b>	<b>73,816,113</b>
<b>Total Assets</b>		<b>117,581,648</b>	<b>106,010,965</b>

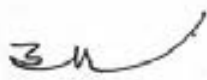
Accounting Policies and Notes to Accounts

16

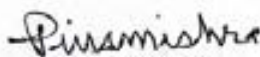
Schedules 1 to 16 form an integral part of the Financial Statements.

As per our report of even date

  
Naresh Joshi  
Finance Manager

  
Basu Upadhyaya  
Senior Manager (Admin. & Finance)

  
Jaya M. Kharal  
Executive Director

  
Dr. Pius Raj Mishra  
Treasurer

  
Shambhu Sharan P. Kayastha  
Chairman a.i.

  
CA. Mahesh Godar  
Partner  
RajMS & Co.,  
Chartered Accountants

Date: 25/08/2019  
Place: Lalitpur, Nepal

Center for Environmental  
and  
Agricultural Policy Research,  
Extension and Development  
  
(CEAPRED)



**Center for Environmental and Agricultural Policy  
Research, Extension and Development (CEAPRED)**

**Income and Expenditure Statement**  
For the Period 1 Shrawan 2075 to 31 Ashad 2076 (17 July 2018 to 16 July 2019)

(Amount In NRs.)

Income	Sch.	Current Year	Previous Year
Grant Income	13	245,973,333	141,910,254
Overhead/Other Contribution	1	14,252,954	14,303,411
Capital Grant	6	758,658	845,496
<b>Total Income (A)</b>		<b>260,984,945</b>	<b>157,059,162</b>
<b>Expenditure</b>			
Program Expenditure	14	245,973,333	141,910,254
Operating Expenses	15	13,168,488	13,052,430
Depreciation	6	1,843,124	2,096,478
<b>Total Expenditure (B)</b>		<b>260,984,945</b>	<b>157,059,162</b>
<b>Surplus (A-B)</b>		<b>-</b>	<b>-</b>

Accounting Policies and Notes to Accounts

16

Schedules 1 to 16 form an integral part of the Financial Statements.



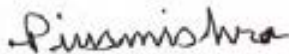
Naresh Joshi  
Finance Manager



Basu Upadhyaya  
Senior Manager (Admin. & Finance)



Jaya M Khanal  
Executive Director



Dr. Pius Raj Mishra  
Treasurer



Shambhu Sharan P. Kayastha  
Chairman a.i.

Center for Environmental  
and  
Agricultural Policy Research,  
Extension and Development  
(CEAPRED)




CA. Mahesh Godai  
Partner  
RajMS & Co.,  
Chartered Accountants

Date: 25/08/2019  
Place: Lalitpur, Nepal


**Center for Environmental and Agricultural Policy  
Research, Extension and Development (CEAPRED)  
Cash Flow Statement**


For the Period 1 Shrawan 2075 to 31 Ashad 2076 (17 July 2018 to 16 July 2019)

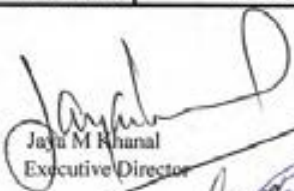
(Amount In NRs.)

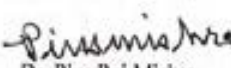
Particulars	As at Ashad 31, 2076	As at Ashad 32, 2075
Surplus during the year	-	-
<b>Adjustments</b>		
Capital grant income	(758,658)	(845,496)
Assets written off	38,885	4,310
Adjustment in General Fund	(122,710)	100,000
Depreciation of property, plant and equipment	1,843,124	2,096,478
<b>Sub Total</b>	<b>1,000,641</b>	<b>1,355,291</b>
<b>Changes in Working Capital</b>		
Net decrease/(increase) of account receivable	(11,040,172)	(7,668,255)
Net increase/(decrease) of accounts payable	16,935,088	6,488,876
Net increase/(decrease) of deferred income	(12,807,894)	(8,647,843)
Net decrease/(increase) of grant receivable	(15,454,926)	(16,519,528)
<b>Sub Total</b>	<b>(22,367,904)</b>	<b>(26,346,750)</b>
<b>Total Cash Flow from Operating Activities</b>	<b>(21,367,263)</b>	<b>(24,991,459)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,191,828)	(181,837)
Investment in Fixed Deposit	(37,000,000)	30,000,000
Fund received towards H.K Upadhyaya Trust Fund	813,593	109,600
Staff Welfare Fund Refunded	-	-
Contribution towards Staff Severance Fund	(1,125,598)	(9,284,129)
Fund received from Climate prize Fund for upscaling of RMV	-	-
Interest Earned on Staff Welfare	165,891	149,768
Interest Earned on Dr. H.K Upadhyaya Trust Fund	205,391	284,699
Interest Earned on Staff Severance Fund	589,346	506,316
Interest Earned on SEED Revolving Fund	7,904	7,305
Contribution towards General Fund	11,584,987	7,216,477
<b>Total Cash Flow from Investing Activities</b>	<b>(25,950,315)</b>	<b>28,808,200</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>(47,317,578)</b>	<b>3,816,741</b>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>70,245,500</b>	<b>66,428,759</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>22,927,923</b>	<b>70,245,500</b>

Schedules 1 to 16 form an integral part of the Financial Statements.

  
Naresh Joshi  
Finance Manager

  
Basu Upadhyaya  
Senior Manager (Admin. & Finance)

  
Jaya M Kharel  
Executive Director

  
Dr. Pius Raj Mishra  
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**Center for Environmental and Agricultural Policy Research,  
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