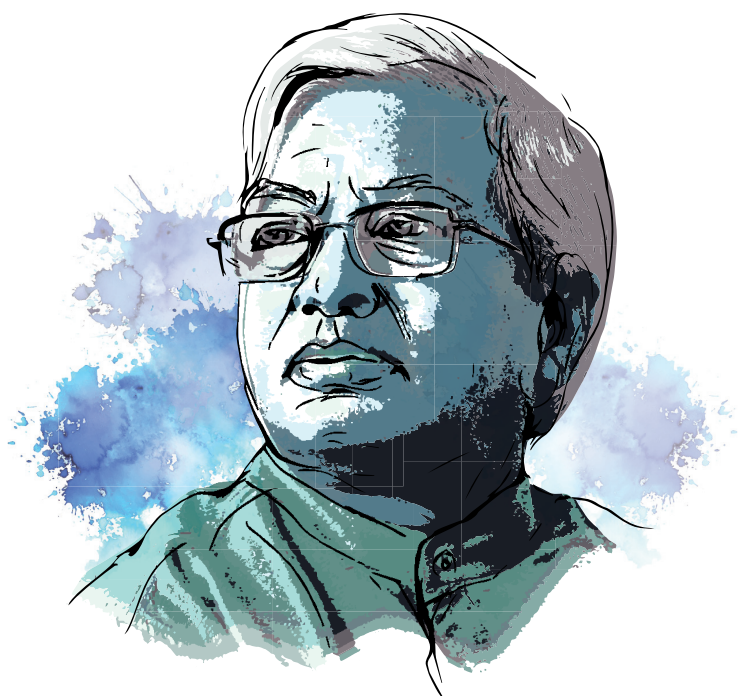




ANNUAL REPORT 2019

BRAC NEPAL



Sir Fazle Hasan Abed KCMG
1936 - 2019

We will not say 'rest' in peace.

Thank you, Abed bhai.

Thank you for showing us how meaningful one's life can be.

Thank you for instilling the courage in us to take on the impossible.

Thank you for showing us how to listen and learn,
to fail and to get up again in the service of others.

Thank you for making us see that no one is ordinary and
to seek potential in everyone.

We will not say 'rest' in peace.

The Abed bhai we know would not rest until we build an equal world.

We know you would not want us to lament your loss for long.

You would want us to tirelessly fight poverty and inequality,
like you did the last 47 years.

We promise to rise to that responsibility.

We promise to be worthy of your legacy.

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LETTER FROM THE EXECUTIVE DIRECTOR

STRONGER TOGETHER IN TIMES OF TRANSITION



2019 was a year of great change and transition for BRAC International. First and foremost in our hearts, we lost our dear founder, Sir Fazle Hasan Abed. Abed Bhai's guidance, vision, and spirit are irreplaceable and deeply missed. Before his passing, Abed Bhai spearheaded the creation of a new Global Board to lead us in the post-founder era. This body is guided by the new BRAC Global Strategy which sets a bold vision for BRAC over the next decade. This strategy not only helped bring the BRAC family together but provides an enormous amount of guidance for our work, outlining a path to reach at least 250 million people by 2030.

In this spirit of transition, we began 2019 working to build a strong base for the years to come by consolidating and strengthening our programme and organisational management. Our core focus areas included improving our programme quality, both in design and implementation, by developing new program quality standards and improving our front line supervision and monitoring, evaluation, and learning (MEL) systems through targeted in-country pilots.

We also took several steps to build BI's capacity to achieve impact at scale. We developed a Microfinance Growth for Impact Plan: a strategy for converging Microfinance operations with other social development programmes, while opening a new Africa Regional Office in Nairobi, Kenya, to build leadership and greater supervision at the field level. Steps were taken to improve our grants management capacity at all levels to respond to the needs of our donors and those we serve.

While our management focus was on strengthening internal capacity, on the ground we continued to deliver innovative programs to support those living in situations of poverty and inequality. In 2019, we reached a total

of 6.6 million people, predominantly women and girls, across 10 countries in Asia and Africa. BI Microfinance, our signature financial inclusion programme, provided 650,000 program participants and their families access to basic financial services and support in six countries, five in Africa and one in Asia.

The COVID-19 pandemic has emerged as a major challenge while continuing our organisational strengthening work and programming. Building on our existing capacity, we have been working with governments through National Coordination Committees and Task Forces in each of our countries of operation to quickly meet the needs of those affected by the virus. To date, BI has reached over 45 million people through our COVID-19 response programming. We have also worked to develop innovative ways to continue our existing programmes safely and effectively. For example, our early childhood education team has been utilising local radio stations to deliver play-based learning to children stuck in their homes in Uganda and Tanzania.

Our innovative spirit was not limited to fighting COVID, but also fighting the other great challenge of our time: climate change. We see how the changing climate is affecting the people we serve, decimating livelihoods, health, food security, and pushing people into poverty. We are acting now to build and deploy tools that will enable us to fight climate change-induced disasters by strengthening early warning systems and supporting locally-led climate adaptation programmes.

It is through these challenging times that we see the true spirit of BRAC. Abed Bhai always believed in the power of collective action and effort to meet the challenges that face us. It is through the support, compassion, and generosity of our partners, peers, host governments, and donors that we are able to continue fulfilling his vision to protect, help, and uplift vulnerable people everywhere.

We believe that those living in poverty and inequality are not only resilient but that they are able to take control of their own lives. Together we can build towards an even brighter future.

A stylized, handwritten signature in black ink, appearing to read 'Dr. Musa'.

Dr Muhammad Musa
Executive Director
BRAC International

MESSAGE FROM THE COUNTRY REPRESENTATIVE



BRAC Nepal assisted with relief, rehabilitation, reconstruction and long term development vigour since the wake of the massive earthquakes of 2015. This year, we have been comprehensively working in Kavre and Kathmandu districts in order to empower young people and women socially and economically, improving livestock and enhancing employable skills.

Since 2016, we have reached 400 girls (aged 10-21) through 20 Empowerment and Livelihood for Adolescents (ELA) clubs, providing them awareness on social issues such as sexual and reproductive health, gender-based violence, and prevention of underage marriage. Our interventions also include extracurricular activities, such as, inter-club competitions, collective campaign on stopping child marriage and One Billion Rising.

Our apprenticeship based skills development training concentrates on providing innovative employable skills that ensure pathways to sustainable livelihoods and economic development. In 2019, 94 girls (over the age of 16) received a three-month training followed by one month apprenticeship to be suited electrical and solar technicians. After the session, the participants had the opportunity to conduct electrical work in newly constructed houses of their communities.

BRAC Nepal in partnership with local NGOs, provided on-the-job training in trades such as producing household cleaning supplies, mobile phone repairing, and cooking and canteen management to young people. During the second phase of partnership with Signify Foundation, more girls will be trained to become household electricians.

In 2019, a new intervention called “Disability-Inclusive Empowerment and Livelihoods” project originated which is based on our learnings from our existing ELA and skills development programmes. For the initiation of disability-inclusive development, we partnered with experts on inclusion and accessibility, such as Humanity & Inclusion (HI), Light for the World and Sense International.

With high hopes for 2020, we plan to accommodate Nepal in reaching its potential by continuing to work together with the newly formed government structures. As a small team, we are inspired to grow and work towards another productive year ahead.

Khemraj Upadhyaya
Country Representative
BRAC Nepal

BRAC SAFEGUARDING FRAMEWORK

Since its inception, BRAC has prioritised the safety and wellbeing of all those it works with – stakeholder of all programmes, members of staff and volunteers, and partners and donors. From the beginning of 2018, BRAC strengthened its safeguarding compliance, and has committed to ensure that safeguarding measures are incorporated across all levels of the organisation.

BRAC currently operates with six safeguarding standards: safe governance, safe people practices, safe programming, safe partnering, safe risk management and safe reporting. A safeguarding unit has been formed within BRAC Human Resources and Learning Department to provide technical support in strengthening safeguarding at organisational, programmatic and partnership levels.

BRAC has developed a standalone safeguarding policy as well as specialised policies to address sexual harassment, protection of children and adolescents, prevention of workplace bullying and violence, rights of persons with disabilities, and whistleblowing. All members of staff at BRAC are trained on safeguarding through classroom and online sessions. Different programmes and departments are in the process of developing risk mitigation plans to



curb safeguarding risks associated with their work.

BRAC's overall strategy to safeguard people is firstly through means of prevention. If that fails, each case or incident violating the policy is addressed through a mechanism that is fair, transparent and objective. Our priority is to take safety measures for the complainant if and when an incident arises.

BRAC has a robust internal investigation process and unit with two separate streams to address

safeguarding-related breaches, as well as two independent decision-making committees. A centralised 24/7 call centre has been established to lodge complaints. Additional emphasis is given on awareness and data management related to complaints regarding all forms of harassment and bullying. BRAC's safeguarding unit implements action plans jointly developed with DFID, and in collaboration with all its programmes and departments to build a strong safeguarding culture within the organisation.

BRAC INTERNATIONAL PROGRAMMES



Our **Education programme** focuses on raising awareness on gender and child rights and developing a child-friendly learning atmosphere. Our programme complements the mainstream schooling system by supporting government primary and secondary schools to improve quality and strengthen capacity. We also provide training with support from local vocational and technical institutes.

Our **Early Childhood Development programme** is an investment towards breaking intergenerational cycles of poverty and facilitating economic growth. We provide early learning opportunities through our Play Labs to 3 to 6 year olds, with a low cost and play-based early learning model. Our Play Labs are safe play spaces, providing cost effective local learning materials to children in marginalised communities.



The **Agriculture, Food Security and Livelihood programme** focuses on four strategic directions - a) Strengthen pro-poor market systems, b) Make agriculture systems more resilient to climate change, c) Improve food and nutrition security, and d) Empower women and youth across the value chain.

Through our **Health programme** we partner with respective governments to reduce child mortality, improve maternal and child health, and combat diseases. We work at the community and facility level to strengthen the capacity of female community health volunteers, health workers, and doctors so that they can provide educational, preventive, and curative health services.



Through our **Youth Empowerment programme** we provide life-saving and life-transforming services to adolescent girls to prevent unintended pregnancies, improve their awareness on harmful practices, and empower them financially. We create safe spaces by establishing clubhouses for girls aged 10-21, especially those who are vulnerable, dropped out of school, and at the risk of early marriage and pregnancy.



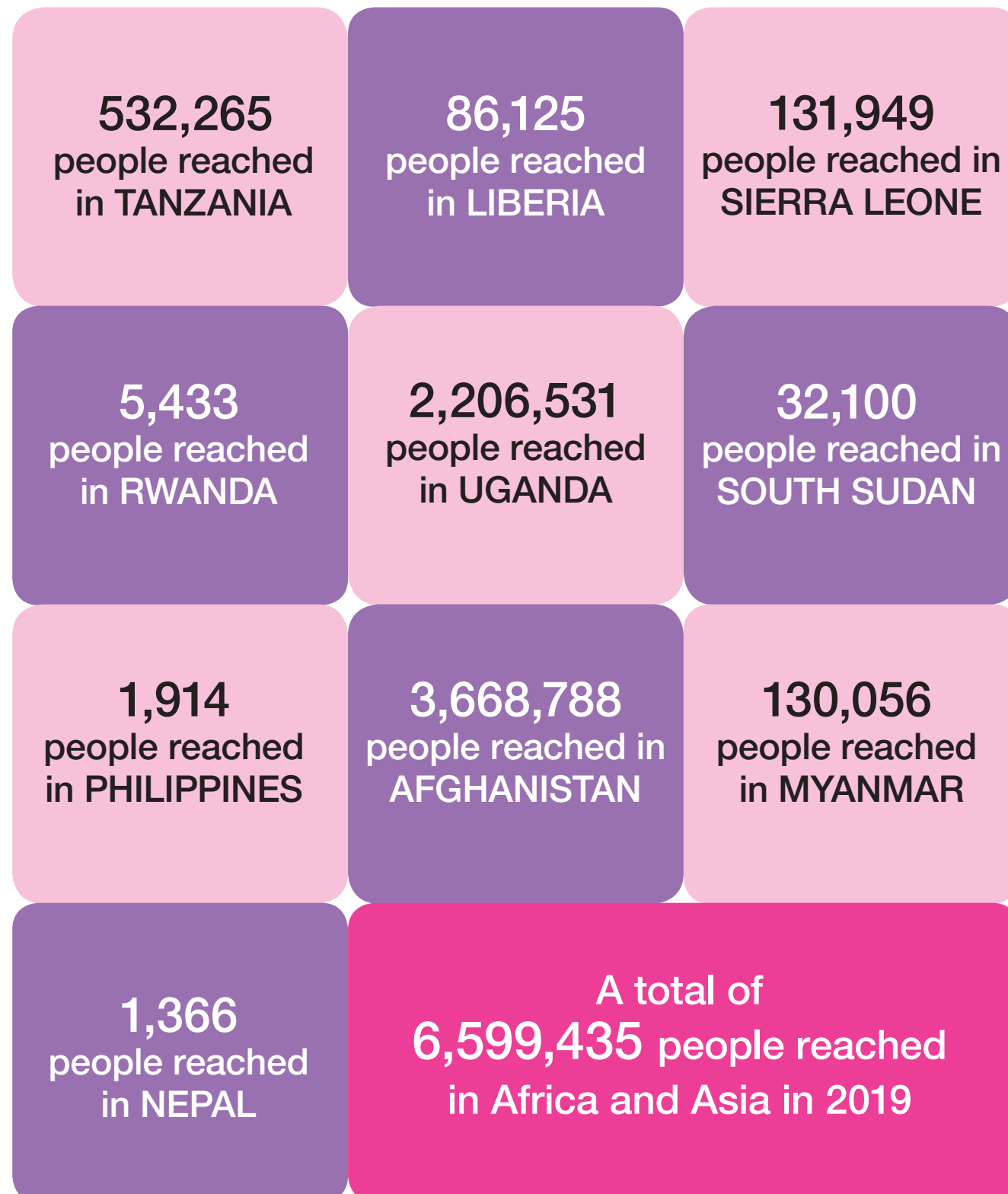
The **Ultra-Poor Graduation** approach is a comprehensive, time-bound, integrated and sequenced set of interventions that aim to enable extreme and ultra-poor households to achieve key milestones towards sustainable livelihoods and socio-economic resilience, in order to progress along a pathway out of extreme poverty.

Through our **Emergency Preparedness and Response programme** we build local emergency preparedness and response capacities in communities, schools, and local governments. Using a participatory and inclusive approach, our interventions in urban, rural, and refugee settings prioritise the equitable participation of all groups, particularly women and youth, to ensure that they are able to mitigate risks, save lives, protect livelihoods, and build back better from disasters and crises.



With the help of **Microfinance**, we provide a range of financial services responsibly to people at the bottom of the pyramid. We particularly focus on women living in poverty in rural and hard to reach areas, to create self-employment opportunities, build financial resilience, and harness women's entrepreneurial spirit by empowering them economically.

OUR COUNTRY-WISE REACH IN 2019



PROGRAMMATIC REACH OF BRAC INTERNATIONAL IN 2019



833,921

people through the **Education programme** in Afghanistan, Philippines, Uganda, and Liberia



16,623

people through the **Early Childhood Development programme** in Tanzania and Uganda



100,313

people through the **Agriculture, Food Security and Livelihood programme** in Myanmar, Nepal, South Sudan, Uganda, Liberia, and Sierra Leone



59,359

people through the **Youth Empowerment programme** in Nepal, Tanzania, Uganda, Liberia, and Sierra Leone



7,725

people reached through the **Emergency Preparedness and Response programme** in Myanmar, Uganda, and Sierra Leone



3,307,849

people reached through the **Health programme** in Afghanistan, Nepal, Liberia, Uganda, and Sierra Leone



2,401

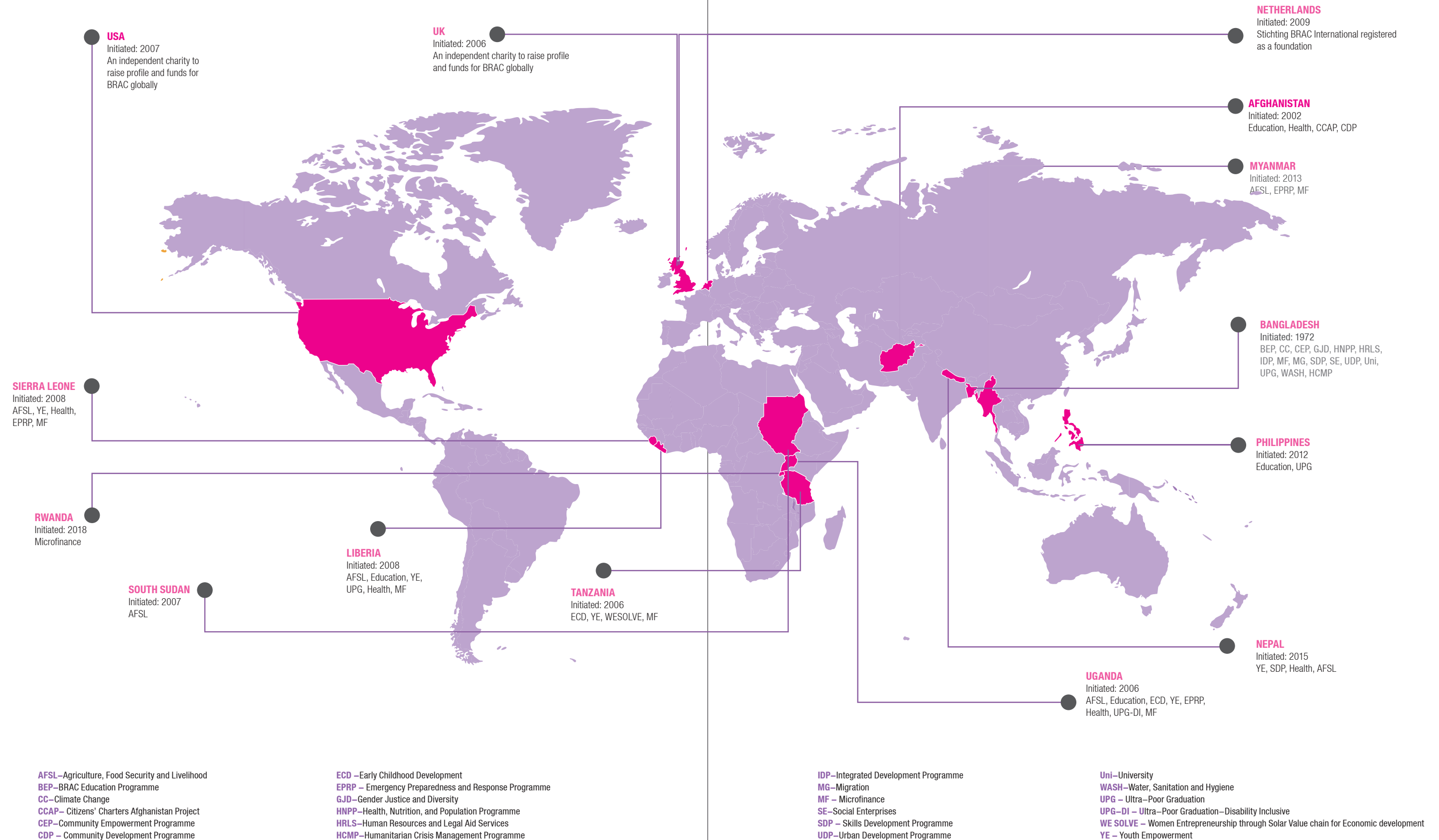
people reached through the **Ultra-Poor Graduation programme** in Uganda and Liberia



646,442

borrowers and 150,231 depositors through the **Microfinance programme** in Myanmar, Uganda, Liberia, Tanzania, Sierra Leone, and Rwanda

BRAC ACROSS THE WORLD



STICHTING BRAC INTERNATIONAL MANAGEMENT AS OF 31 DECEMBER, 2019

MANAGEMENT BOARD



DR MUHAMMAD MUSA
EXECUTIVE DIRECTOR
BRAC International



SYED ABDUL MUNTAKIM
DIRECTOR
Finance
BRAC International



RUTH OKOWA
DIRECTOR
Africa Region
BRAC International



M ANOWAR HOSSAIN
DIRECTOR
Asia Region
BRAC International



SHARMIN SULTAN
DIRECTOR
Human Resources
BRAC International

DIRECTORS



SHAMERAN ABED
SENIOR DIRECTOR
Microfinance, Ultra Poor Graduation
BRAC and BRAC International



DIRK BROER BOOY
SENIOR DIRECTOR
Programme Development, Resource
Mobilisation and Learning,
BRAC and BRAC International



HANS ESKES
DIRECTOR
BRAC International Holding B.V.



SONIA WALLMAN
DIRECTOR
Grant Management, Programme
Development, Resource
Mobilisation & Learning,
BRAC and BRAC International



KENNETH CAROL VAN TOLL
DIRECTOR
Institutional Fundraising
and Partnership
BRAC International



MARJOLEIN VAN DEN HOVEN
DIRECTOR
Private Sector Fundraising
BRAC International



AUDREY AHWAN
DIRECTOR
Programme Development, Resource
Mobilisation and Learning,
BRAC and BRAC International



MOUTUSHI KABIR
DIRECTOR
Communications and Outreach
BRAC and BRAC International



NANDA DULAL SAHA
DIRECTOR
Internal Audit
BRAC and BRAC International



MD SAJEDUL HASAN
DIRECTOR
Humanitarian Programme
BRAC and BRAC International

STICHTING BRAC INTERNATIONAL SUPERVISORY BOARD



Marilou van Golstein Brouwers
Chair (Appointed Chair to the Board on
7 April 2020, member since 28 March 2019)

Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board

Marilou van Golstein Brouwers is a former chair of the Management Board and founder of Triodos Investment Management BV, a subsidiary of Triodos Bank.

Ms Brouwers is an international entrepreneurial impact investment banker, with more than 30 years of experience in values-driven business and banking, with immense expertise on impact investing.

She started working for Triodos Bank in 1990 and was involved in the founding of Triodos Investment Management, of which she became the managing director in 2003. She was the chair of the Management Board from January 2015 to December 2018.

Ms Brouwers is currently active in a variety of roles. Within Triodos Bank, she is a member of several boards and involved in the start-up of the Triodos Regenerative Money Centre. She is also a member of the Board of Directors of the Global Impact Investing Network and the Special Working Group on impact economy by the Global Steering Group for Impact Investment. She is chair of the Supervisory Board of B Lab Europe and the Supervisory Board of Credits, The Netherlands, one of the Women Entrepreneurs Finance Initiative Leadership Champions.

Ms Brouwers has served on the board of directors of banks in Uganda, Kenya, Tanzania, Russia, Afghanistan and Pakistan. She was a member of the Group of Advisors for the United Nations Year of Microcredit in 2004 and 2005, of the Executive Committee of CCAP (2003-2008), the Board of Trustees of Women's World Banking (2003-2012), the Advisory Committee of the Mastercard Foundation Fund for Rural Prosperity (2014-2017) and the Advisory Council on International Affairs Committee for Development Cooperation in The Netherlands. She was chair of SBI Limited (2011-2013), the Steering Committee of the Principles for Responsible Investment / Principles for Investors in Inclusive Finance (2011-2013) and the Advisory Board of Women in Financial Services in The Netherlands (2011-2016). She was also treasurer of the Max Havelaar Foundation (2008-2015).

Ms Brouwers studied business and economics at Erasmus University in Rotterdam.



Ameerah Haq
(Was appointed as the Board Chair on
6 August 2019 and resigned on 7 April 2020)

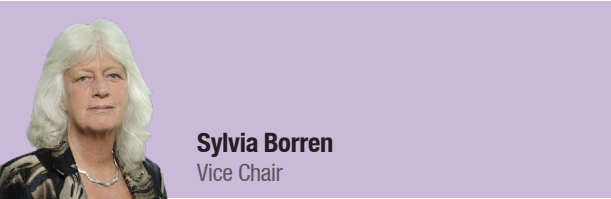
Stichting BRAC International Supervisory Board

Ms Ameerah Haq is the former UN under-secretary-general for the Department of Field Support. She held the position of under-secretary-general from 2009 till her retirement and was the senior-most Bangladeshi national in the United Nations during those years. She most recently served as the vice chair of the high-level independent panel on peace operations for the UN. She has over 39 years of UN experience including 19 years of field experience. She was the last special representative of the secretary-general (SRSG) in the UN Integrated Mission in Timor-Leste. She has also held the positions of deputy SRSG and UN resident coordinator in Sudan, as well as deputy SRSG and UN resident coordinator in Afghanistan. In addition, Ms Haq has held senior positions within the UN development programme and has served as UN resident coordinator in Malaysia and Laos.

Ms Haq currently serves on the Board for the Centre for Humanitarian Dialogue in Geneva, on the secretary-general's senior expert group on Human Rights Up Front, on the Board for the Peace Operations Training Institute, Williamsburg, Virginia. She is also a special advisor to the United Nations Foundation in Washington and a member of the Special Advisory Group of the Challenges Forum of the Folke Bernadette Academy of Sweden. Ms Haq lectures frequently at many universities and speaks at seminars hosted by think tanks and non-governmental organisations.

During her service in the UN, Ms Haq was awarded the highest Presidential Medal in East Timor by President Jose Ramos Horta, the highest civilian medal of the Lao People's Democratic Republic and the Malalai Medal of Honor from President Hamid Karzai of Afghanistan, which is among the highest civilian honors given for courage and dedication. She is also the recipient of the Julia Taft Outstanding Humanitarian Service Award during the time she served as humanitarian coordinator for her work in Darfur, Sudan.

Ms Haq received a bachelor of science degree in psychology from Western College for Women in Oxford, Ohio in 1969. She subsequently went on to receive a master of science degree in Community Organization and Planning from Columbia University, New York in 1972, and a master in business administration from New York University in 1974.



Sylvia Borren
Vice Chair

Stichting BRAC International Supervisory Board

Sylvia Borren has worked all her life within and for civil society organisations, both professionally and as a volunteer.

She was part of the Dutch and global women's and sexual rights movements (COC, ILGA, IWC for a just and sustainable Palestinian-Israeli peace) and is now advisor to the UN Women National Committee Netherlands and ATRIA (the Institute on gender equality and women's history). Ms Borren was part of the anti-poverty movement (director of Oxfam Novib 1994-2008, co-chair of the Global Call to Action against Poverty and EEN) and is now the Vice Chair of the Stichting BRAC International Supervisory Board.

She was on two national governmental advisory commissions (for Youth Policy and the Advisory Council on International Affairs), co-chair of the Worldconnectors (a Dutch think tank), on the board of a large mental health institute (Altrecht), worked as an organisational consultant with De Beuk for many years, led the project Quality Educators for All with the trade union Education International, and continues to be a member of the Worldconnectors.

Ms Borren was recently director of Greenpeace Netherlands (2011-2016), part of the Forest Stewardship Council Netherlands, and is now on the advisory commission of Staatsbosbeheer, which manages nature reserves.

She is now a freelance consultant at 'Working for Justice' and a senior adviser for Governance & Integrity.



Dr Debapriya Bhattacharya
Member

Stichting BRAC International Supervisory Board

Dr Debapriya Bhattacharya, a macroeconomist and public policy analyst, is a Distinguished Fellow at the Centre for Policy Dialogue (CPD), Dhaka, where he was its first Executive Director. He was the Ambassador and Permanent Representative of Bangladesh to WTO and UN Offices in Geneva and Vienna and former Special Advisor on LDCs to the Secretary General of UNCTAD. Earlier, he was a Senior Research Fellow at the Bangladesh Institute of Development Studies (BIDS).

He studied in Dhaka, Moscow, and Oxford. Visiting positions held include Senior Fulbright Fellow at the Center for Global Development, Washington DC. He serves on the boards and working groups of various leading institutions and editorial boards of reputed journals including Oxford Development Studies. He was General Secretary of the Bangladesh Economic Association for three consecutive terms.

Dr Bhattacharya chairs the Southern Voice, a network of 50 think tanks from Africa, Asia, and Latin America, dedicated to following up and reviewing

the implementation of the Sustainable Development Goals (SDGs). He led the pioneering multi-country studies on shaping the 2030 Agenda of the United Nations, data deficits of SDG monitoring, and early signals of SDG implementation in the developing countries. He also chairs LDC IV Monitor, an independent partnership of eight international organisations and academic institutions engaged in monitoring the outcome of the fourth United Nations Conference on the Least Developed Countries.

He serves as the Convenor of the Citizen's Platform for SDGs, Bangladesh - a platform of more than 100 NGOs and private sector bodies, seeking to contribute to the delivery of the SDGs at the country level.

He recently edited the volume Bangladesh's Graduation from the Least Developed Countries Group: Pitfalls and Promises, Routledge (2018); Southern Perspectives on the Post-2015 International Development Agenda, Routledge, London (2017); team leader of the study Quest for Inclusive Transformation of Bangladesh: Who Not to be Left Behind (2017).



Parveen Mahmud FCA
Member

**Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board**

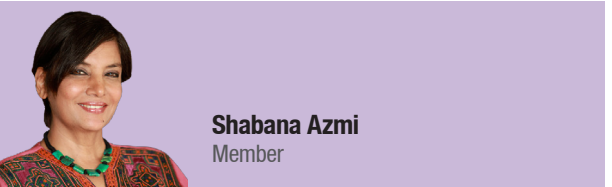
Parveen Mahmud, in her varied professional career has worked with social innovations, entrepreneurship, and sustainable development. Ms Mahmud started her career with BRAC, and has worked with international NGOs and development agencies. She was the deputy managing director of PKSF, Bangladesh's apex funding organisation for Microfinance Institutes. She is the founding managing director of Grameen Telecom Trust.

She was a partner in ACNABIN & Co, Chartered Accountants. She is the first female president of the Institute of Chartered Accountants of Bangladesh (ICAB), as well as the first female board member of the South Asian Federation of Accountants (SAFA), the apex accounting professional body of SAARC. She is the chairperson of CA Female Forum - Women in Leadership Committee, ICAB and is the vice chairperson of the Women in Leadership Committee of SAFA.

Ms Mahmud sits on numerous boards, including Stichting BRAC International, Apex Footwear Ltd, Grameenphone Ltd, Linde Bangladesh

Ltd, Manusher Jonnyo Foundation, Transparency International Bangladesh, and Centre for Policy Dialogue. She is the chairperson of UCEP Bangladesh, Shasha Foundation, and was chairperson of MIDAS, Shasha Denims Ltd, and Acid Survivors' Foundation. Ms Mahmud is also a member of the International Chamber of Commerce, Bangladesh. She was a member of the National Advisory Panel for SME Development of Bangladesh, founding board member of SME Foundation, and Convenor, SME Women's Forum.

Ms Mahmud is the recipient of Ananyinna Top Ten Women - 2018 Award, Women at Work - 2017 Award from Bangladesh Association of Software and Information Services, and Women of Inspiration Awards 2017 from the Bangladesh Organisation for Learning & Development. She received the Begum Rokeya Shining Personality Award 2006 for women's empowerment from Narikantha Foundation.



Shabana Azmi
Member

Stichting BRAC International Supervisory Board

Shabana Azmi is an internationally celebrated film and theatre actress. She has won five national and five international awards for best actress.

She is a highly respected social activist and tireless campaigner for the rights of women, slum dwellers, and the underprivileged. She heads the Mijwan Welfare Society (MWS), an NGO that works for empowerment of the girl child in rural India. MWS works on education, primary health and sanitation, skill development, and employment generation.

Ms Azmi was nominated to The Rajya Sabha by the President of India in 1997. She is a recipient of the Padmashri and Padma Bhushan. She was awarded the Gandhi International Peace Prize in 2006. At the bicentennial celebrations of international human rights in Paris in 1989, she was honoured along with Mother Theresa by President Mitterand of France. She also won the Crystal Award at the World Economic Forum 2006. She has been conferred five Doctorates by renowned universities, both national and international. She has received the prestigious Martin Luther King, Rosa Park, and Chavez Awards and is a visiting professor at the University of Michigan. A former UN Goodwill Ambassador for Population and Development, she continues to work on issues of public health. She has recently been nominated as Global Leadership Ambassador for Women in Public Service Project initiated by Hillary Clinton.



Victoria Sekitoleko
Member

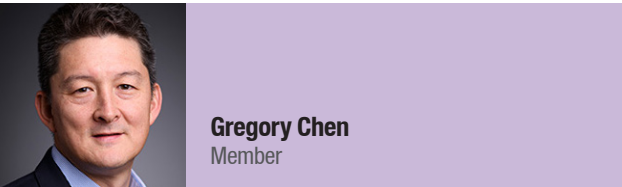
Stichting BRAC International Supervisory Board

Victoria Balyejusa Sekitoleko is a former Minister of Agriculture in the Ugandan government. She was a representative of the United Nations Food and Agriculture Organization (FAO) in China, Mongolia, and South Korea, and previously served as the FAO's representative in Ethiopia to the African Union and to the Economic Community for Africa.

Ms Sekitoleko is currently the chair of the governing board of the Uganda Agribusiness Alliance, which unites all those involved in the industry to optimise their ability to profitably and sustainably pursue the many global opportunities in the world's largest industry.

In 2010, Victoria founded the Uganda Community Cultural Center which trades as Speakers Forum. This trains professionals to become skilled presenters and also supports community libraries.

Ms Sekitoleko was educated at Makerere University in Kampala, where she attained a BSc in Agriculture majoring in Farm Management and Extension.



Gregory Chen
Member

**Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board**

Gregory Chen has worked on financial inclusion for 25 years, with most of his work spanning across South Asia. His work focuses on hands-on advisory and implementation with microfinance institutions and, for the past decade, with newer players in digital finance. This has included work with digital players like bKash, Wave Money and also development organisations including the Aga Khan Development Network, BRAC, and Dvara. His work has included deep technical engagements with more than a dozen financial sector regulators. He has also worked as a corporate banker at Bank of America and with the financial services consulting firm Enclude.

Mr Chen is a member of CGAP's management team and oversees CGAP's policy Engagement. He focuses on helping policy makers adapt to the rapid change in the world of financial services brought on by technology, and particularly to ensure that financial systems can responsibly reach the disadvantaged.

Mr Chen is a regular speaker on microfinance and digital finance at the Boulder Institute for Microfinance, BRAC University, Johns Hopkins, Tufts University, Yale University, and American University, among others. He has a master's degree in international development from Harvard Kennedy School and a bachelor's degree from Wesleyan University.

**GROUP FINANCE AND
AUDIT COMMITTEE**

Composition of the present finance and audit committee is as follows:

- Parveen Mahmud FCA, Chair
- Dr Muhammad Musa, Member
- Syed Abdul Muntakim, Secretary
- Sylvia Borren, Member
- Hans Eskes, Member

The primary function of the finance and audit committee is to assist the governing board in fulfilling its responsibilities on the:

- Financial reporting and budgeting processes
- System of internal controls and risk assessment
- Compliance with legal and regulatory requirements
- Qualifications, independence, and performance of the external auditors
- Qualifications, independence, and performance of the internal auditfunction

BRAC NEPAL MANAGEMENT

Khemraj Upadhyaya - Country Representative
Sheetal Tuladhar - Business Development and Communications Coordinator
Pooja Lamichhane - Project Coordinator
Srijana Shrestha - Accounts and Administrative Officer

DEVELOPMENT PARTNERS

DONORS



CONSORTIUM



IMPLEMENTING PARTNERS



AGRICULTURE, FOOD SECURITY AND LIVELIHOOD

Agriculture plays a vital role in the national economy of Nepal with employment of 71.74% of the labor force. The empowerment of youth and women is an essential component as it expands agricultural production and creates sustainable farming practices. Through BRAC Nepal's Agriculture, Food Security and Livelihood (AFSL) programme, we provide support on livestock rearing, establish sustainable market linkages, create awareness on healthcare and provide input and technical support to selected mothers from Mothers' Groups.

OUR APPROACH

BRAC Nepal's AFSL programme aims to provide training on improved livestock rearing practices and effective vegetable farming with limited resources in Namobuddha municipality. In 2019, in close coordination with the district and municipal livestock service centre, BRAC distributed 6-month-old female goats to 50 women farmers selected from the mothers' groups through a lottery method. Similarly, 15 women farmers were provided a 3-day training on vegetable farming with input support.

With an aim of supporting the government to end open defecation and paying special attention to the needs of women and girls, BRAC Nepal supported 26 families to build latrines for households in coordination and match-funding from the Ward Office. We have Female Community Health Volunteers (FCHVs) under the Government of Nepal, who provide maternal and child healthcare to the members of the AFSL Mothers' Groups. Moreover, BRAC Nepal supported the municipal health section in Namobuddha to provide orientation on dengue fever with the intention of strengthening the capacity of the participants through knowledge on essential community health problems.

MOVING FORWARD

During the period of 2018 and 2019, BRAC Nepal supported 80 women farmers through agriculture and livestock training to improve their livelihood. The 50 infant goats that were provided to those women farmers have now given birth to offspring; thus enabling them to further sustain their livelihoods. BRAC Nepal is looking forward to supporting youth and more families in vulnerable situations. We will continue to work with governments, non-governmental organisations, community-based organisations, and the private sector through provision of technical assistance.

HIGHLIGHTS

50 women farmers received one-day training on goat rearing and insurance.
50 six-month old female goats distributed to women farmers.

15 farmers were provided 3-day training on vegetable farming and input support.

73 goats insured through a local private insurance agent and vaccinated by the district livestock office.

26 families were provided financial support in coordination with ward office to build latrines.

Members of all **26** households provided orientation on hygiene and sanitation, importance of using toilets and its health benefits in coordination with municipal health department.

21 FCHVs were oriented about dengue fever, its signs and symptoms and preventive measures.



CULTIVATING A BRIGHTER FUTURE

Apsana Adhikari lives in Namobuddha municipality with her husband, two sons and one daughter. The primary occupation of her family is agriculture which covers their household expenditure and school fees of the children.

BRAC Nepal conducted a three-day training on agriculture and encouraged the participants to start farming by maximizing production with existing resources. During the session, Apsana learned about seasonal and off-seasonal crops, weed control, crop changing, and organic methods to control pests and diseases. Moreover, BRAC Nepal educated them on irrigation which they were struggling on.

Apsana shares her progress saying, "I got the idea of a drip irrigation facility from BRAC Nepal which I have now been using in my farm to produce more and commercially. I have grown cabbages and some other new vegetables in the farm."

Prior to the training, Apsana merged her traditional practices with her training lessons. With additional technical knowledge on agriculture and input support from the organisation, Apsana feels confident about her attributes and skills. "I sell my crops and vegetables in the urban market nowadays, earn more than before and we even manage to save some of it," states Apsana.

At present, Apsana is relieved about not having to worry about expenditure anymore. She is looking for marketplaces for organic vegetables since she does not use any chemicals or pesticides in her vegetables. She plans to commercially enhance further and bring more irrigation facilities, expand her farm and grow various types of vegetables.

SUSTAINABLE DEVELOPMENT GOALS



SKILL DEVELOPMENT PROGRAMME

Over 80% of economically active young people in Nepal are involved in the informal sector due to the inability to find employment. Due to the absence of appropriate educational background or the right profession profile, these people hardly find their desired occupation. According to research, 49% of Technical & Vocational Education and Training (TVET) graduates found employment after training. Women mostly prefer to receive training and apprenticeship in traditional trades, such as beauty parlor and tailoring, while the men prefer working in motorcycle repairing.



OUR APPROACH

BRAC Nepal's Skills Development Programme (SDP) aims to promote sustainable productive employment and income generation for youth and adults residing in the informal settlements of Kathmandu. The participants learn first-hand the hard and soft skills required for success in a particular trade. Through an apprenticeship approach, up to three learners are paired with a Master Craftsperson (MCP) proficient in their trade for a period of 3 to 6 months. With first-hand training and the opportunity to observe the MCP on his/her market linkages and entrepreneurship skills, the apprentices become confident and prepared to enter the job market through one of the pathways: continue working with the same master craftsperson, or join another workplace in the same trade, become an entrepreneur, or migrate as a skilled human resource.



MOVING FORWARD

Through practical, livelihoods-based training, BRAC Nepal provided innovative employable skills that provide pathways to sustainable livelihoods and reduce economic pressure. From the beginning of the SDP program in 2017 till the end of 2019, we trained 98 youth in various trades in Kathmandu. Given the effectiveness of the apprenticeship approach as well as guaranteed income generation post-apprenticeship, the skills development program will remain a priority sector for BRAC Nepal while seeking future funding opportunities.



HIGHLIGHTS

19 apprentices completed their apprenticeship in the food and beverage, and hospitality sector.

9 apprentices completed household cleaning supply production.

8 completed motorcycle repair and 6 in mobile phone repair apprenticeship.

6 apprentices completed their apprenticeships in hand-crafted products like keyrings and kajal.

1 apprentice completed his apprenticeship in men's formal wear.

10 Master Craftsperson engaged with apprentices in all the aforementioned trades.

285 total population reached through the Skills Development Programme.



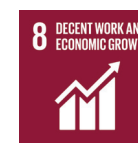
FROM BEING A CLEANER TO PRODUCING CLEANING SUPPLIES

Sharada, 28, has been living in the informal settlements of Gairigaun in Kathmandu with her husband and toddler daughter for two years. Her small family survives on her husband's monthly income of NPR 10,000 (USD 100). As a hardworking person determined to support her family, Sharada began working as a house helper for NPR 7,000 (USD 70) monthly. However, she decided to quit as she did not feel valued and respected at her place of work. Sharada heard about the training program in Gairigaun conducted by BRAC for making cleaning supplies and she decided to participate. Soon she was practicing at home and selling products like phenyl and liquid soap in recycled plastic water bottles that she gathered around her neighborhood.

Sharada and her six fellow trainees began to cultivate regular customers and realizing that her products were quite popular, she asked Nepal Mahila Ekata Samaj (NMES) to provide some financial support to start her own business. Sharada, whose initial income was NPR 4000, states "Now I earn NPR 15,000 a month."

With the input support from BRAC through its implementing partner NMES and customer feedback, she now has started her own label of cleaning supplies called "Chamkilo Safai" or Bright Cleaning. The new label and packaging have enhanced quality assurance for her products enabling her to receive more orders. Next, she plans to obtain a Permanent Account Number to officially register her business.

Sharada is very delighted and grateful to BRAC for creating a safe place for her to enhance her skills.



YOUTH EMPOWERMENT PROGRAMME

Nepal has one of the highest rates of Early Child and Forced Marriage in the world with a quarter of 15-19 year old girls already married. The country has the risk of young women dropping out of school, early marriage, unintended pregnancy and violence. In the low resource communities which are hard to reach, vulnerable adolescent girls are engaged in household chores and less likely to be involved in productive employment. Through BRAC Nepal's operations, there is an increased awareness amongst the club members, their parents and the community on the consequences of child marriage.



OUR APPROACH

Through BRAC Nepal's Empowerment and Livelihood for Adolescents (ELA) project, we provide safe places to young girls where they learn about life skills and social issues including sexual reproductive health and gender based violence. We empower these young participants to combat against child marriage and other forms of abuse. BRAC Nepal has 16 ELA Clubs in Kavre district where girls can read, sing, dance, and learn about life skills and social issues, including sexual reproductive health and gender-based violence. We have mentors trained in the government endorsed Rupantaran life-skills curriculum who facilitate sessions in their respective clubs.

In context to social empowerment, adolescent girls (above the age of 16) from marginalized backgrounds, received Level 1-junior building electrician training, a 3-month classroom based plus 1-month apprenticeship package training. The purpose of this training was to assist girls in breaking the stereotype of working in a male-dominated field.



MOVING FORWARD

In the year 2020, we will begin the second phase with support from Signify Foundation, to train adolescent girls (above the age of 16) as household electricians in Central and West Nepal. BRAC will be conducting inclusive ELA clubs for young people, including those with disabilities, in Surkhet district. The coaching will help the participants strengthen their reproductive health and livelihoods through Department For International Development (DFID) disability-inclusive development (DID) programme with partners Humanity & Inclusion (HI), Light for the World, Sense International and local disabled people's organisation Disabled Empowerment Center (DEC).



HIGHLIGHTS

300 girls aged 11-21 regularly attended the 16 ELA clubs and received life-skills training from 16 mentors.

112 new club members enrolled in 2019.

15 inter-club competitions organised including speech, quiz, dance, essay, drawing, and drama with participation of **377** girls on the themes of International Women's Day, 16 Days of Activism against Gender-based Violence, and One Billion Rising.

54 Parents Committee Meetings held with participation of 404 committee members.

94 out of 99 girls completed lighting and electrical technician training.

217 households received services from girls trained in lighting and electrical technician training.

3,326 total population reached through the ELA programme.



FROM SEWING MACHINE TO SCREWDRIVER

Sangita Lungeli Magar is a 27 year old, residing in Namobuddha municipality with her joint family who specialise in agriculture. Initially, Sangita used to work in a boutique where she was provided on the job training, however she was not certified.

When BRAC Nepal's electrician training commenced, she was surprised that the sessions were for only female participants since she used to believe that these jobs are for boys. She was excited to learn despite the sublime fright of not having any experience in the specified field.

With local electricians as Master Craftsperson, the participants were able to work in Namobuddha as well as Bhakunde, the nearest town. In her village, Sangita, along with the other members, were paid NPR 500 while in Bhakunde they were paid NPR 1000. So far, Sangita has successfully worked in more than 16 houses.

"The training exceeded all my expectations," states Sangita. In addition, she highlights the training with the tale of how she fixed a light blackout in her house with the help of the circuit diagram she received in one of her training sessions. Her father is proud to see her flourish.

Sangita is looking forward to applying in the municipal official applications for meter readers. She is grateful for overcoming her initial fear and is now confident to work as an electrician. She expresses that there should be more empowering vocational training to all unemployed females in the vicinity.

SUSTAINABLE DEVELOPMENT GOALS



PROGRAMMES IN BRAC NEPAL



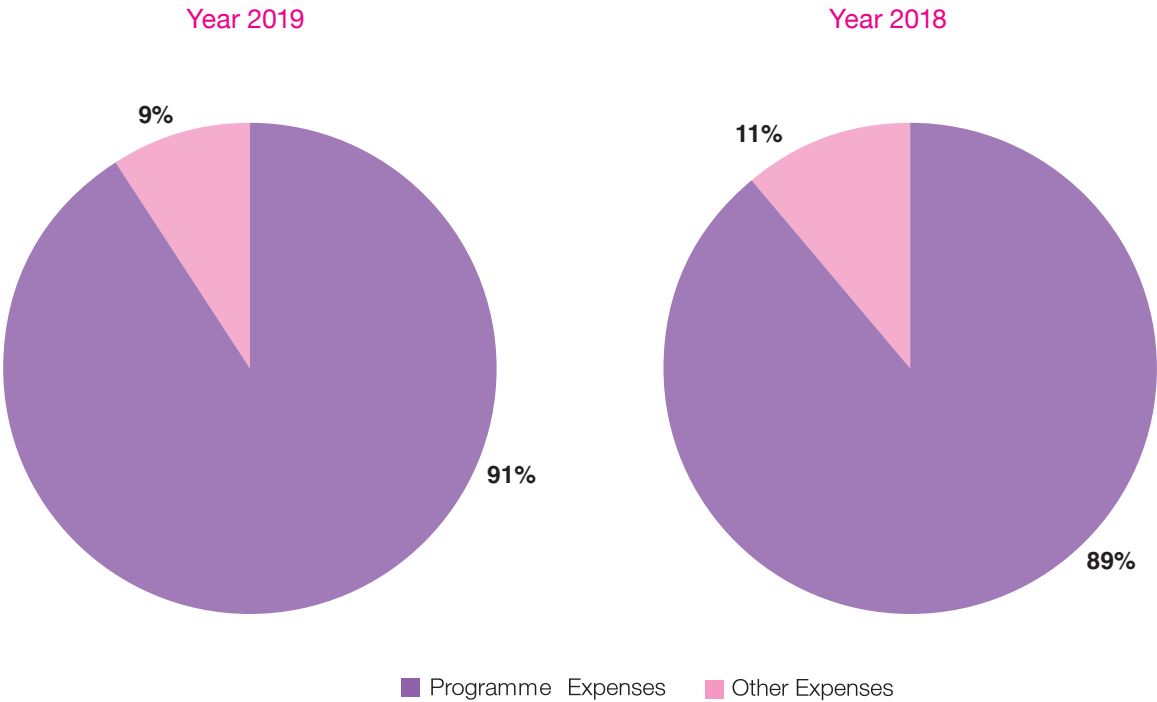
FINANCIALS

FINANCIAL HIGHLIGHTS

BRAC Nepal completed its 5th year of operation in 2019 by receiving grants amounting to USD 202,205 against USD 82,972 in 2018. Out of total expenses, programme expenses was USD 187,295 (USD 155,966 in 2018) and 91% (89% in 2018) of the total cost.

PROGRAMME COST BY NATURE OF EXPENSES

EXPENSES	2019		2018	
	USD	%	USD	%
Programme Expenses	187,295	91%	155,966	89%
Other Expenses	18,456	9%	18,732	11%
Total	205,751		174,698	



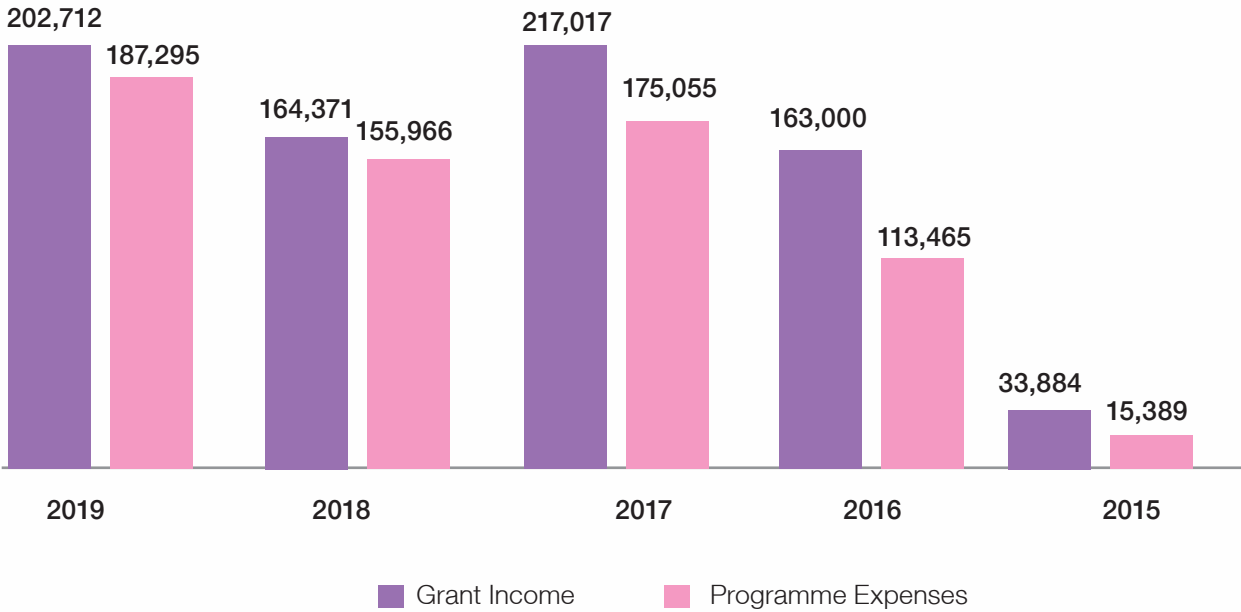
PERFORMANCE REVIEW

INCOME STATEMENT	2019	2018	2017	2016	2015
	USD	USD	USD	USD	USD
Grant Income	202,712	164,371	217,017	163,000	33,884
Other Income	3,039	10,327	-	3,237	-
Programme Expenses	187,295	155,966	175,055	113,465	15,389
Other Expenses	18,456	18,732	41,962	52,773	18,495

FINANCIAL POSITION

BALANCE SHEET	2019	2018	2017	2016	2015
	USD	USD	USD	USD	USD
Cash at Bank	104,201	99,072	193,494	85,640	14,467

ANNUAL INCOME AND EXPENSES IN USD





STICHTING BRAC INTERNATIONAL-NEPAL

AUDIT REPORT FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

SUBMITTED BY

MKNB Associates
Chartered Accountants
Anamnagar, Kathmandu
Nepal

INDEPENDENT AUDITOR'S REPORT

The Country Representative,
Stichting BRAC International - Nepal
Kathmandu, Nepal

Opinion

We have audited the financial statements of Stichting BRAC International - Nepal for the period from 1 January 2019 to 31 December 2019 which comprise of Statement of Financial Position, Statement of Comprehensive Income and Significant Accounting Policies and Notes to Account.

In our opinion, the accompanying financial statements:

- give a true and fair view of state of affairs of fund received, expenditures incurred of Stichting BRAC International - Nepal for the period from 1 January 2019 to 31 December 2019;
- have been properly prepared in accordance with Nepal Accounting Standards, wherever applicable and International Standards on Auditing;

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs), wherever applicable and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Stichting BRAC International - Nepal in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we 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.



Use of Our Report

This report, including the opinion, has been prepared for and only for the members of Stichting BRAC International - Nepal and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Responsibilities of Management for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with generally accepted accounting principles, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

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, 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 organization's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the organization;
- Conclude on the appropriateness of the managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern; and
- 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.

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.

For and on behalf of

Nishchal Bhattarai, FCA

Partner

MKNB Associates

Chartered Accountants

Date: 27 February 2020


UDIN Number: 200227CA00519NnyDf

STICHTING BRAC INTERNATIONAL-NEPAL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 Dec NPR	2018 Dec NPR	2019 Dec USD	2018 Dec USD
ASSETS					
Non-Current Assets					
Property and Equipment	14	895,961	827,908	7,920	7,476
Current Assets					
Cash and Bank	8	11,788,210	10,971,206	104,201	99,072
Donor Fund Receivable	13	1,426,093	2,785,165	12,606	25,150
Other Assets	9	444,425	212,063	3,928	1,915
Total Current Assets		13,658,728	13,968,434	120,735	126,137
Total Assets		14,554,689	14,796,342	128,655	133,613
LIABILITIES AND CAPITAL FUND					
Liabilities					
Other Liabilities	10	2,832,957	1,589,738	25,042	14,356
Related Party Payable	11	5,583,420	5,583,420	49,354	50,419
Total Liabilities		8,416,377	7,173,158	74,396	64,775
Capital Fund					
Grants Received in Advance	12	5,242,351	6,795,276	46,339	61,361
Deferred Income	12	895,961	827,908	7,920	7,476
Retained Surplus		-	-	-	-
Total Capital Fund		6,138,312	7,623,184	54,259	68,838
		14,554,689	14,796,342	128,655	133,613

Significant Accounting Policies & Notes to Accounts 15 As per our attached report on even date

Notes 1 to 15 forms an integral part of this statement


Khemraj Upadhaya
Country Representative

Place: Kathmandu
Date: 27 February 2020




CA Nishchal Bhattarai
MKNB Associates
Chartered Accountants



STICHTING BRAC INTERNATIONAL-NEPAL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 Jan-Dec NPR	2018 Jan-Dec NPR	2019 Jan-Dec USD	2018 Jan-Dec USD
Grant Income	1	8,802,845	1,688,478	78,796	15,247
BI Contribution	1	13,843,470	16,513,966	123,916	149,124
Other Income	2	339,484	1,143,580	3,039	10,327
Total Income		22,985,799	19,346,024	205,751	174,698
Project Expense	3	3,764,130	3,196,135	33,694	28,862
Staff Costs and Other Benefits	4	12,159,202	10,732,484	108,840	96,916
Training & Development	5	3,632,049	1,900,975	32,511	17,166
Occupancy Expenses	6	1,230,125	1,227,129	11,011	11,081
Other General & Administrative Expenses	7	2,061,845	2,074,349	18,456	18,732
Depreciation	14	138,448	214,952	1,239	1,941
Total Expenditure		22,985,799	19,346,024	205,751	174,698
Taxation		-	-	-	-
Surplus Reserve		-	-	-	-

Significant Accounting Policies & Notes to Accounts 15 As per our attached report on even date

Notes 1 to 15 forms an integral part of this statement


Khemraj Upadhaya
Country Representative

Place: Kathmandu
Date: 27 February 2020




CA Nishchal Bhattarai
MKNB Associates
Chartered Accountants




STICHTING BRAC INTERNATIONAL-NEPAL
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 Jan-Dec NPR	2018 Jan-Dec NPR	2019 Jan-Dec USD	2018 Jan-Dec USD
Excess of Income over Expenditure		-	-	-	-
Cash Flow from Operating Activities					
Loss on Disposal of Assets		-	-	-	-
Depreciation	14	138,446	214,952	1,225	1,941
Cash Flow Before Changes in Working Capital		138,446	214,952	1,225	1,941
Changes in Working Capital					
Increase/(Decrease) in Related Party Payables		-	(3,293)	-	(30)
Decrease/(Increase)/Decrease in Related Party Receivables		-	-	-	-
Increase/(Decrease) in Other Payables		1,243,219	315,290	10,989	2,847
(Increase)/Decrease Other Receivable		(232,362)	(142,063)	(2,054)	(1,283)
Net Cash Provided by/(used in) Operating Activities		1,149,303	384,886	10,160	3,476
Cash Flow From Investing Activities					
Acquisition of Fixed Assets	14	(206,500)	(424,390)	(1,825)	(3,832)
Net Cash Provided by/(used in) Investing Activities		(206,500)	(424,390)	(1,825)	(3,832)
Cash Flow From Financing Activities					
Increase/(Decrease) in Deferred Income		68,054	209,439	602	1,891
Increase/(Decrease) in Grants Received in Advance		(1,552,925)	(6,031,966)	(13,727)	(54,469)
(Increase)/Decrease in Grants Receivable		1,359,072	(2,785,165)	12,013	(25,150)
Net Cash Provided by/(used in) Financing Activities		(125,799)	(8,607,692)	(1,112)	(77,728)
Net (Decrease)/Increase in Cash and Cash Equivalents		817,004	(8,647,196)	7,223	(78,084)
Cash in Hand and at Banks, Beginning of the Year		10,971,206	19,618,402	99,072	193,494
Foreign Currency Gain/(Loss) Adjustment				(2,094)	(16,337)
Cash and Cash Equivalents at the End of the Period		11,788,210	10,971,206	104,201	99,072

Significant Accounting Policies & Notes to Accounts 15

As per our attached report on even date

Notes 1 to 15 forms an integral part of this statement


Khemraj Upadhaya
Country Representative

Place: Kathmandu
Date: 27 February 2020


CA Nishchal Bhattarai
MKNB Associates
Chartered Accountants


STICHTING BRAC INTERNATIONAL-NEPAL
STATEMENT OF CHANGES IN CAPITAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2019

	Donor Funds Received in Advance	Donor Funds in Fixed Assets	Retained Surplus	Total Capital Fund	Total Capital Fund
	NPR	NPR	NPR	NPR	USD
At 1 JANUARY 2018	12,827,241	618,469	-	13,445,710	132,614
Donations Received During the Year	9,594,744	-	-	9,594,744	86,642
Transferred to Fixed Assets	(424,390)	424,390	-	-	-
Transferred to Statement of Comprehensive Income	(17,987,493)	(214,952)	-	(18,202,445)	(164,371)
Adjustment of Exchange Rate Difference	-	-	-	-	(11,197)
Transferred from/(to) Donor Funds					
Received in Advance	2,785,165	-	-	2,785,165	25,150
Assets Received from Donor	-	-	-	-	-
Surplus for the Year	-	-	-	-	-
At 31 DECEMBER 2018	6,795,267	827,907	-	7,623,174	68,838
At 1 JANUARY 2019	6,795,267	827,907	-	7,623,183	68,838
Donations Received During the Year	22,520,517	-	-	22,520,517	199,068
Transferred to Fixed Assets	(206,500)	206,500	-	-	-
Transferred to Statement of Comprehensive Income	(22,507,870)	(138,446)	-	(22,646,316)	(200,180)
Assets Received from Donor	-	-	-	-	-
Adjustment of Opening Balance	-	-	-	-	-
Adjustment of Exchange Rate Difference	-	-	-	-	(1,453)
Donor Funds Receivable	(1,359,072)	-	-	(1,359,072)	(12,013)
Surplus for the Year	-	-	-	-	-
At 31 DECEMBER 2019	5,242,342	895,961	-	6,138,312	54,259

Significant Accounting Policies & Notes to Accounts 15

As per our attached report on even date

Notes 1 to 15 forms an integral part of this statement


Khemraj Upadhaya
Country Representative

Place: Kathmandu
Date: 27 February 2020


CA Nishchal Bhattarai
MKNB Associates
Chartered Accountants

STICHTING BRAC INTERNATIONAL-NEPAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 NPR	2018 NPR	2019 USD	2018 USD
1.00 GRANT INCOME				
Signify Foundation	8,776,606	1,688,478	78,562	15,247
	8,776,606	1,688,478	78,562	15,247
Ammortization of deferred income	26,239	-	235	-
Total	8,802,845	1,688,478	78,796	15,247

Grant income relates to the operating expenses incurred by the different projects that are transferred from grants received in advance to the statement of comprehensive income

BI CONTRIBUTION

Control Project	4,812,174	4,987,456	43,075	45,038
ICDP Phase II	8,919,087	11,311,559	79,837	102,145
	13,731,261	16,299,015	122,912	147,183
Ammortization of deferred income	112,209	214,952	1,004	1,941
Total	13,843,470	16,513,966	123,916	149,124

2.00 OTHER INCOME

Bank Interest Income	-	-	-	-
Foreign Currency Gain	339,484	1,143,580	3,039	10,327
Total	339,484	1,143,580	3,039	10,327

3.00 PROJECT EXPENSE

Construction Cost	-	-	-	-
Emergency Relief Supplies	-	1,004,925	-	9,075
Project Supplies	1,999,149	701,220	17,895	6,332
Club Rent	178,209	195,536	1,595	1,766
Honorarium and Incentives	1,586,772	1,294,454	14,204	11,689
Total	3,764,130	3,196,135	33,694	28,862



STICHTING BRAC INTERNATIONAL-NEPAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 NPR	2018 NPR	2019 USD	2018 USD
4.00 STAFF COSTS AND OTHER BENEFITS				
Salaries and benefits (BRAC)	9,254,854	8,061,146	82,843	72,793
Salaries and benefits (Partner NGO)	1,791,627	2,000,000	16,037	18,060
Bonus	849,429	189,553	7,603	1,712
Food Allowances	-	-	-	-
Social Security Fund	-	-	-	-
Medical Benefits	68,511	21,134	613	191
Leave Fund	194,781	452,877	1,744	4,090
Staff insurance	-	7,774	-	70
Total	12,159,202	10,732,484	108,840	96,916

5.00 TRAINING & DEVELOPMENT

Employee Development	167,800	1,403,763	1,502	12,676
Project Meeting	392,308	128,620	3,512	1,161
Project Training & Workshop	3,071,941	268,992	27,498	2,429
Research and Survey	-	99,600	-	899
Total	3,632,049	1,900,975	32,511	17,166

6.00 OCCUPANCY EXPENSES

Office Rent	1,072,558	1,077,537	9,601	9,730
Other Utilities	157,567	149,592	1,410	1,351
Total	1,230,125	1,227,129	11,011	11,081

7.00 OTHER GENERAL & ADMINISTRATIVE EXPENSES

Office expense (Note 7.01)	588,065	472,883	5,264	4,270
Maintenance and general expenses	196,009	519,028	1,755	4,687
Travel and transportation	1,112,167	909,223	9,955	8,210
Logistics and Management Expense	-	-	-	-
Bank fees and service charges	-	1,000	-	9
Promotional Expense	-	-	-	-
Audit and Legal Fee	52,604	59,215	471	535
Audit fees	113,000	113,000	1,011	1,020
Foreign Currency Loss	-	-	-	-
Total	2,061,845	2,074,349	18,456	18,732



STICHTING BRAC INTERNATIONAL-NEPAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 NPR	2018 NPR	2019 USD	2018 USD
7.10 OFFICE EXPENSE				
Fuel Charge	9,138	114,050	82	1,030
Generator Maintenance	-	-	-	-
Internet Expense	22,600	22,600	202	204
Motor Cycle Maintenance	8,942	1,400	80	13
Food Bill	240,130	216,267	2,149	1,953
Office Supplies	4,890	5,375	44	49
Postage & Delivery	-	-	-	-
Printing and Stationary	220,442	52,563	1,973	475
Recruitment and Reallocation Expense	2,034	4,068	18	37
Telephone and Fax	79,889	56,560	715	511
Total	588,065	472,883	5,264	4,270

8.00 CASH AND CASH EQUIVALENTS

Cash at Bank	11,769,967	10,961,895	104,039	98,988
USD	10,744,505	9,476,817	94,975	85,577
Local	1,025,462	1,485,078	9,064	13,410
Cash in hand	18,243	9,311	161	84
Short Term Deposits	-	-	-	-
Cash at IOU	-	-	-	-
Total	11,788,210	10,971,206	104,201	99,072

9.00 OTHER ASSETS

Stock and Consumables	-	-	-	-
Advances, Deposits and Prepayments (Note 10.10)	444,425	212,063	3,928	1,915
Total	444,425	212,063	3,928	1,915

9.10 ADVANCES, DEPOSITS AND PREPAYMENTS

Employee Advance	70,001	-	619	-
Prepaid Insurance	-	-	-	-
Prepaid Rent	-	-	-	-
Prepaid Utilities	-	-	-	-
Receivable from other project and offices	342,296	91,965	3,026	830
Advance to PNGO	20,128	120,098	178	1,085
Advances to 3rd Party	12,000	-	106	-
Total	444,425	212,063	3,928	1,915



STICHTING BRAC INTERNATIONAL-NEPAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 NPR	2018 NPR	2019 USD	2018 USD
10.00 OTHER LIABILITIES				
Accrued Expenses	-	-	-	-
Accrued Salary	-	-	-	-
Bonus Provision	173,494	-	1,534	-
PF and Gratuity provision	570,467	479,822	5,043	4,333
Medical benefits provision	130,152	130,152	1,150	1,175
Leave Salary provision	789,903	636,795	6,982	5,750
Social security Fund Payable	-	30,000	-	271
Insurance Provision	-	-	-	-
Audit Fees Provision	56,508	56,504	499	510
Payable to 3rd Party	895,547	-	7,916	-
Payable to Partner NGO	-	-	-	-
Legal Fee Payable	-	-	-	-
Tax Payables	216,887	256,466	1,917	2,316
Other Liabilities	-	-	-	-
Total	2,832,957	1,589,738	25,042	14,356

11.00 RELATED PARTY PAYABLES

BRAC Bangladesh	2,421,927	2,421,927	21,408	21,870
Stichting BRAC International	3,161,493	3,161,493	27,946	28,549
Total	5,583,420	5,583,420	49,354	50,419

Related party payables relate to amounts owing to BRAC Associates for the settlements of staff costs and operating expenditures on behalf of BRAC Nepal, HO logistics and other fees payable.

12.00 DONOR FUNDS

Grants Received in advance (Note 12.10)	5,242,351	6,795,276	46,339	61,361
Deferred Income (Note 12.20)	895,962	827,908	7,920	7,476
Total	6,138,313	7,623,184	54,259	68,838



STICHTING BRAC INTERNATIONAL-NEPAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 NPR	2018 NPR	2019 USD	2018 USD
12.10 GRANTS RECEIVED IN ADVANCE				
Opening balance	6,795,276	12,827,241	60,066	115,832
Donations received during the year (Note 12.1(a))	22,520,517	9,594,744	202,205	82,972
Transferred to deferred income - investment in fixed assets (Note 12.20)	(206,500)	(424,390)	(1,825)	(3,832)
Transferred to statement of comprehensive income (Note 1)	(22,507,870)	(17,987,493)	(198,956)	(162,430)
	6,601,423	4,010,111	61,490	32,542
Transferred to/(from) Donor funds receivable (Note 13)	(1,359,072)	2,785,165	(12,013)	25,150
Currency Translation			(3,138)	3,670
Closing balance	5,242,351	6,795,276	46,339	61,362

12.01(A) DONATIONS RECEIVED DURING THE YEAR

Name of Donor

BRAC UK	2,580,393	-	22,956	-
Stichting BRAC International	12,582,805	1,111,000	113,213	10,000
Signify Foundation	7,139,823	8,483,744	64,052	72,972
DFAT Nepal Office	217,496	-	1,984	
Total	22,520,517	9,594,744	202,205	82,972

12.20 DEFERRED INCOME

Opening balance	827,908	618,469	7,318	5,585
Transferred from donor funds received in Advance (Note 12.1)	206,500	424,390	1,825	3,832
Depreciation charged during the year (Note 14)	(138,446)	(214,952)	(1,224)	(1,941)
Closing Balance	895,962	827,908	7,920	7,476

13.00 DONOR FUNDS RECEIVABLE

Opening balance	2,785,165	-	24,619	-
Transferred (to)/from donor funds received in Advance (Note 12.1)	(1,359,072)	2,785,165	(12,013)	25,150
Closing balance	1,426,093	2,785,165	12,606	25,150



STICHTING BRAC INTERNATIONAL-NEPAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14.00 PROPERTY AND EQUIPMENT

	Furniture	Computer & Peripherals	Equipments	Vehicles	Total	Total
	NPR	NPR	NPR	NPR	NPR	USD
Cost						
At 1 JANUARY 2018	397,597	277,737	173,833	-	849,167	7,668
Additions	-	130,000	95,990	198,400	424,390	3,832
Disposed During the Period	-	-	-	-	-	-
At 31 DECEMBER 2018	397,597	407,737	269,823	198,400	1,273,557	11,500
Additions	-	-	13,100	193,400	206,500	1,825
Disposed During the Period	-	-	-	-	-	-
FX Translation (Loss)/Gain	-	-	-	-	-	(243)
At 31 DECEMBER 2019	397,597	407,737	282,923	391,800	1,480,057	13,083
Depreciation						
At 1 JANUARY 2018	81,210	109,842	39,647	-	230,699	2,083
Charge for the Year	39,760	81,547	53,965	39,680	214,952	1,941
Disposal	-	-	-	-	-	-
Written Off During the Year	-	-	-	-	-	-
At 31 DECEMBER 2018	120,970	191,389	93,612	39,680	445,650	4,023
Charge for the Year	11,362	49,534	25,306	52,244	138,446	1,239.26
Disposal	-	-	-	-	-	-
Written Off During the Year	-	-	-	-	-	-
FX Translation (Loss)/Gain	-	-	-	-	-	(100)
At 31 DECEMBER 2019	132,332	240,923	118,918	91,924	584,096	5,163
NET BOOK VALUE:						
NBV At 31 DECEMBER 2018	276,627	216,348	176,211	158,720	827,908	7,476
NBV At 31 DECEMBER 2019	265,265	166,814	164,005	299,876	895,961	7,920



STICHTING BRAC INTERNATIONAL-NEPAL

PROJECT WISE STATEMENT OF FINANCIAL POSITION As at 31 December 2019

Control Project	ICDP Phase II	Signify Project	Total	Control Project	ICDP Phase II	Signify Project	Total
NPR	NPR	NPR	NPR	USD	USD	USD	USD

ASSETS

Non-Current Assets

Property and Equipment	198,183	530,616	167,161	895,961	1,752	4,690	1,478	7,920
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Current Assets

Cash and Bank	5,046,485	914,094	5,827,634	11,788,213	44,608	8,080	51,513	104,201
Donor Fund Receivable	-	1,426,093	-	1,426,093	-	12,606	-	12,606
Other Assets	320,331	124,094	-	444,425	2,832	1,097	-	3,928
	5,366,816	2,464,281	5,827,634	13,658,731	47,439	21,783	51,513	120,735
Total Assets	5,564,999	2,994,897	5,994,795	14,554,692	49,191	26,473	52,990	128,655

LIABILITIES AND CAPITAL FUND

Liabilities

Other Liabilities	590,461	1,317,020	925,476	2,832,957	5,219	11,642	8,181	25,042
Related Party Payable	4,436,159	1,147,261	-	5,583,420	39,213	10,141	-	49,354
Total Liabilities	5,026,620	2,464,281	925,476	8,416,377	44,432	21,783	8,181	74,396

Capital Fund

Grants Received in Advance	340,196	-	4,902,158	5,242,354	3,007	-	43,332	46,339
Deferred Income	198,183	530,616	167,161	895,961	1,752	4,690	1,478	7,920
Retained Surplus	-	-	-	-	-	-	-	-
Total Capital Fund	538,379	530,616	5,069,319	6,138,315	4,759	4,690	44,810	54,259

Total Liabilities and Capital Fund

	5,564,999	2,994,897	5,994,795	14,554,692	49,191	26,473	52,990	128,655
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STICHTING BRAC INTERNATIONAL-NEPAL

PROJECT WISE STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2019

Control Project	ICDP Phase II	Signify Project	Total	Control Project	ICDP Phase II	Signify Project	Total
NPR	NPR	NPR	NPR	USD	USD	NPR	USD

Grant Income	-	-	8,802,845	8,802,845	-	-	78,796	78,796
BI Contribution	4,824,373	9,019,097	-	13,843,470	43,184	80,732	-	123,916
Other Income	173,391	(36,301)	202,394	339,484	1,552	(325)	1,812	3,039
Total Income	4,997,764	8,982,796	9,005,239	22,985,799	44,736	80,407	80,608	205,751
Project Expenses	-	1,767,643	1,996,487	3,764,130	-	15,823	17,871	33,694
Staff Costs and Other Benefits	4,940,557	3,924,193	3,294,452	12,159,202	44,224	35,126	29,489	108,840
Training & Development	-	684,968	2,947,081	3,632,049	-	6,131	26,380	32,511
Occupancy Expenses	-	987,769	242,356	1,230,125	-	8,842	2,169	11,011
Other General & Administrative Expenses	45,008	1,518,213	498,624	2,061,845	403	13,590	4,463	18,456
Depreciation	12,199	100,010	26,239	138,448	109	895	235	1,239
Total Expenditure	4,997,764	8,982,796	9,005,239	22,985,799	44,736	80,407	80,608	205,751
Taxation	-	-	-	-	-	-	-	-
Surplus Reserve	-	-	-	-	-	-	-	-



STICHTING BRAC INTERNATIONAL-NEPAL OFFICE
Kathmandu, Nepal

Schedule 15: Significant Accounting Politics and Notes to Accounts

A. Background

BRAC, an international development organization based in Bangladesh, was formed in 1972 under the Societies Registration Act 1860 of Bangladesh. Although it was first set up to resettle refugees in post war Bangladesh, BRAC later redesigned its strategies in accordance with its philosophy of poverty alleviation and empowerment of the poor.

In 2015, after Nepal took a devastating hit to its economy, affecting the lives of its people due to the earthquake, BRAC had been one of the first global organizations to stand beside the people of Nepal in their time of distress. BRAC has initially set up its operation in Nepal with the main focus being on the rehabilitation of the earthquake victims and had plan to raise funds to build 400 earthquake resilient houses over a period of one and half years. However, on failure to get approval for reconstruction project, BRAC has now implemented Integrated Community Development Project (ICDP), in partnership with Forum for Wildlife & Environment Project (FOWEP) and Nepal Mahila Ekata Samaj (NMES) and Empowering Girls as Lighting and Electrical Technician in Nepal in partnership with UCEP.

BRAC has entered into a General Agreement with SWC and is also registered with tax authorities and has been filling tax return under the provisions of Income Tax Act of Nepal.

B. Significant Accounting Policies

Basis of Preparation

The financial statements expressed in Nepalese Rupees (NPR) in accordance with the historical cost convention using accrual basis of accounting unless otherwise stated.

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and prepared in conformity with Generally Accepted Accounting Principles.

Functional Currency and Presentation Currency

The functional currency of Stichting BRAC International-Nepal Office is Nepalese Rupees (NPR). The conversion of the Nepalese Rupee balance in the balance sheet are translated from Nepalese Rupees (NPR) to United States Dollar (USD) as at the year-end rate of USD 1: NPR 113.13 and the conversion of the balances in Nepalese Rupee in the Income Statement are translated from Nepalese Rupees (NPR) to United States Dollar (USD) as at the average rate of USD 1: NPR 111.71. These figures are for memorandum purposes only and do not form part of the audited financial statement.

Recognition of Income

All donor grants received are initially recognized as deferred income at fair value and recorded as liabilities in the Grants Received in Advance Account for the period.

The portion of the grants utilized to purchase property and fixed assets are transferred as deferred income and treated as liabilities and subsequently the portion of the depreciation expense of the same assets for the period is recognized in the statement of income as grant income. The actual expenditures incurred on programs undertaken are recognized as Grant Income for the period.



Grant income is classified as temporarily restricted or unrestricted depending upon the existence of donor-imposed restrictions. For completed or phased out projects and programs, any unutilized amounts are dealt with in accordance with respective donor and management agreements.

Donor grants received in kind, through the provision of gifts and /or services, are recorded at fair value (excluding situations when organization may receive emergency supplies for onward distribution in the event of a disaster which are not recorded as grants).

For ongoing projects and programs, any expenditures yet to be funded and for which funding has been agreed at the end of the reporting period is recognized as grants receivable.

Property and equipment

Recognition and Measurement

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying value of property and equipment and recognized net with other income in profit or loss.

Depreciation

Depreciation is recognized in the statement of comprehensive income. The fixed assets are depreciated on a straight-line basis. The rate of depreciation used are as follows:

Assets	Depreciation Rate
Furniture and Fixture	10%
Computer and Peripherals	20%
Motorcycle	20%
Equipment	20%

Depreciation is provided on Fixed Assets on a pro rata basis at the prescribed rate taking into consideration the month of purchase of the assets.

Inventories

All costs related to program, stationery and office supplies are charged to expenses at the time of procurement.

Segment Reporting

An operating segment is a component of the company that engages in business activities providing products and services from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of BRAC's other component programmes. All operating segments' operating results are reviewed regularly by BRAC's Country Representative to make decisions about resources to be allocated to the segments to assess its performance, and for which discrete financial information is available.



The company's primary format for segmentation is based on 3 projects being operated by Sticking BRAC International-Nepal Office; these programmes are listed below;

- Control Project
- ICDP Phase II Project
- Signify Project

C. Notes to Account

Funding Arrangements

Stitching BRAC International-Nepal operates USD bank account at Himalayan Bank Limited, in which the funds are received in USD from its Headquarters. Funds are transferred from USD account to NPR account at the spot rates. Balance held in USD account is translated to Nepalese Currency using yearend rate of USD 1: NPR 113.13 and difference amount is recognized as Foreign Exchange Gain / (Loss).

Income Tax Liabilities

Since Stichting BRAC International-Nepal office do not have any specific revenue from transactions, no income is generated. Accordingly, no tax provision has been considered nor has deferred tax been considered. Stichting BRAC International-Nepal as non-profit making organization has signed agreement with SWC for development activities which are considered as non-taxable activities.

Change in Accounting Estimate

The useful life of the fixed assets was changed with effect from September 2019 which correspondingly changed the rate of depreciation. However to bring the assets to the current value the depreciation was computed retrospectively as a result of which the depreciation for the year has been stated at NPR 138,448, details of the same is as follows:

Descriptions	Amount in NPR
Depreciation for the year using the revised rate of depreciation	242,316
Less: Excess depreciation charged till the date of revision of the estimated useful life	(103,868)
Depreciation charged to the Income Statement of the current financial year	138,448

Contingent Liabilities

No contingent liabilities exist as on the balance sheet date.

Related Party Transactions

Related party transactions have been carried out with BRAC.

Previous Years Figures

Corresponding previous year figures covers the period 1st January 2018 to 31st December 2018.



STICHTING BRAC INTERNATIONAL

Bezuidenhoutseweg 2
2594 AV The Hague
The Netherlands
T: +31 (0)6 50 255 110
W: www.bracinternational.nl

BRAC NEPAL

Buddhi Sagar Marg,
Panipokhari, Ward no. 3
Kathmandu, Nepal
T: +977 1 4002671
E: bracnepal@brac.net
W: www.bracinternational.nl/nepal

EDITORIAL PANEL

Sheetal Tuladhar
Musharrat Bidita

Graphic Design

Sinthia Ahmed

Photo Credit

BRAC Nepal

Disclaimer: Some names and identifying details in the case stories have been changed to protect the privacy of the individuals.