Management Plan 2025

Stichting GROWN Farm Incubator Foundation

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Message from the Board

We are excited to present to you the the Management Plan (Beleidsplan) of the Stichting Grown Farm Incubator Foundation, registered a non-profit organization under Dutch law and has its registered address at Televisiestraat 2, 2525KD, The Hague, The Netherlands.

The Grown Farm Incubator Foundation was established to enhance the livelihoods and climate resilience of smallholder farmers. The Foundation aims to support farmers in an economically and environmentally sustainable way, while also reducing their risks and preparing them for integration into commercial value chains.

The Foundation aims to empower smallholder farmers to sustainably support themselves and their families through agriculture, and be resilience in changing climate and economy. The foundation aims to achieve this objective by providing access to renewable energy technologies for irrigation and agro-processing, training in organic farming along with high-quality inputs, access to premium markets with guidance on meeting their quality standards. The foundation also supports digitization of smallholder value chain to create transparent and traceable data.

When creating this plan, the board accounted for the regulatory requirements that are required for a non-profit organization in The Netherlands that serves a good purpose and no financial incentives (Algemeen Nut Beogende Instelling - ANBI).

Accordingly this plan provides an insight into:

- The Purpose and Goal of this foundation
- The activities of this foundation
- The way in which this foundation raises funds
- How the Foundation manages its funds
- The way the Foundation deploys its funds to projects for good causes
- The Governance of this foundation

We appreciate and are thankful for your steadfast support, as it plays a crucial role in helping us achieve our goals.
Please feel free to share any comments, questions, or suggestions you may have

Pratap Thapa
President of the Board

About this Document

In this document, the board of the Stichting Grown Farm Incubator Foundation sets out its management of the foundation for the year 2024-2025 as per the board meeting of 28-10-2024.

The GROWN Farm Incubator started to be operationally active from 1st of January 2023. The Foundation has now completed two full years of operation and has identified three strategic focus areas: Nepal, Malawi, and India (North-east region). These land-locked regions are home to 49 million smallholder of farmers, vulnerable to climate change, whom the Foundation seeks to support and positively impact.
Projects are already underway in Malawi and India, while promising initiatives are just starting to be implemented in Nepal.

Although still in its early stages, the Foundation is committed to refining its activities and deepening its impact over the coming years. This plan outlines the potential next steps over a two-year period, while remaining flexible to adapt and evolve as needed.
In addition, this plan aims to highlight the broader development potential of the Foundation and to explore where the organization could expand its efforts in the future.

We are truly excited about what lies ahead for the Foundation, and we're grateful to be on this journey with you. None of this would be possible without your generous support. Together, we can continue to make a meaningful difference for smallholder farmers —thank you!

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1. The Purpose of the GROWN Farm Incubator Foundation

Smallholder farmers are the most vulnerable population to climate change. Despite their importance, smallholder farmers face significant risks and challenges that prevent them from making a sustainable living through farming and do so in a way that preserves the environment. Smallholder farmers primarily face four categories of risks:

1. Climate Risks:
Smallholder farmers are among the most vulnerable to the effects of climate change. Changing rainfall patterns, rising temperatures, and extreme weather events such as droughts and floods pose serious threats to their productivity and can cause harvest failure. At the same time, conventional agriculture is a major contributor to climate change, accounting for 30% of global greenhouse gas emissions and 75% of global deforestation. Therefore, it is crucial to support smallholder farmers in increasing their productivity in ways that are resilient to climate change and environmentally sustainable.

2. Market Access and Infrastructure:
Of the approximately 500 million smallholder farmers worldwide, fewer than 7% are commercially active. Many remain trapped into poverty, lacking access to the technology, infrastructure and markets needed to increase productivity and income. On an individual basis, these farmers often cannot afford to invest in such infrastructure or technology.

3. Economic and Financial Constraints:
Smallholder farmers frequently struggle to earn a sufficient income from farming alone. They face limited access to markets that offer fair compensation for their products, while also having to face with volatile global prices in the markets. These financial barriers, combined with rising input costs, make it increasingly difficult for them to sustain agricultural activities.

4. Social and Demographic Pressures
To feed a global population projected to reach 8.5 billion by 2030, food production must nearly double. Nonetheless, agricultural land is reducing due to desertification,

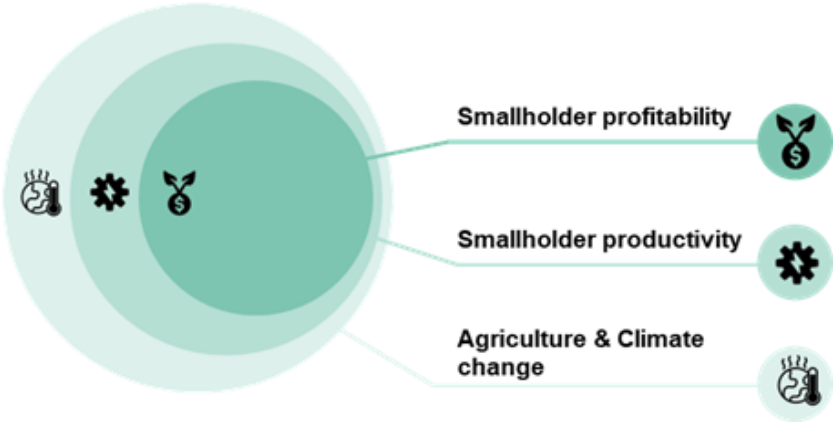
pollution, and urbanization. In many places agricultural soils are largely depleted and urgently require restoration.

Addressing these risks cannot fall on smallholder farmers alone. Given their central role in global food production, it is essential for all actors in the value chain to share the responsibility for building sustainable solutions. Collaborative efforts are needed to improve their income and climate resilience while ensuring their continued contribution to agriculture.

In response to these challenges, the Stichting GROWN Farm Incubator Foundation was established. Its mission is to support smallholder farmers in Africa and South-Asia by de-risking their agricultural activities in the initial phase of the supply chain and preparing them for integration into commercial value chains. The Foundation works to help farmers close the gap to a living income and build resilience to climate change—through solutions that are economically viable, socially inclusive, and environmentally sustainable.

2. The Goal of the GROWN Farm Incubator Foundation

The goal of the GROWN Farm Incubator Foundation is to ensure smallholder farmers earn a living income by supporting transition to organic farming and their integration to responsible value chains. Through this shift, the Foundation aims to help build thriving rural economies, create local job opportunities, and reduce unsafe out-migration. At the same time, it seeks to support the climate-resilience of smallholder farmers, by promoting organic farming practices in the regions where it operates and leveraging the use of renewable energy to power technologies.



Within the next 10 years, our foundation aims to support 100,000 farmers to be integrated in responsible value chains and 100% of these farmers earn a living income.

3. Impact Strategy

3.1 Guiding principles

The Stichting GROWN Farm Incubator Foundation works according to three general principles in order to achieve impact:

1. **The farmer comes first:** The founding of our organization revolves around the farmer. Having a positive impact on the livelihoods of smallholder farmers therefore comes first while striving for positive environmental and economic impact.
2. **Catalytic funding:** The Foundation aims to integrate private market mechanisms in its projects in order to catalyse its used funding and to obtain a social and environmental return on its funding deployed that is proportionally higher than the funds deployed.
3. **Evidence-based research:** Before implementing any activities, the Foundation conducts thorough research to ensure that its interventions are aligned with the on-the-ground realities in each country of operation. This approach ensures that all initiatives respond to the specific needs of the farming communities we serve, and that they are guided by data-driven insights for maximum impact.

3.2 Theory of Change

We believe that promoting organic farming and integrating climate-smart technologies in agriculture helps to achieve the dual objective of improving farmers' income and making them more resilient to climate change. Organic agricultural products, which are turned into different value-added products with access to renewable energy powered processing will derive a premium price for the farmers, adding to their income. At the same time, this helps improve their soil quality, helping their farms withstand climate change effects such as droughts and erratic rainfall better.

To achieve the desired change, the Foundation has identified four critical areas where smallholder farmers need support and offers targeted solutions to address each of these risks:

- **Access to Renewable Energy Technology:**

The Foundation enables smallholder farmers to access renewable technologies—such as renewable energy irrigation systems and agro-processing technologies—

without upfront payment, removing a key financial barrier. Year-round irrigation can increase crop yields by 2 to 5 times. Access to renewable energy processing adds value to harvests by extending shelf life, improving storage, reducing food waste and opening export opportunities —ultimately translating into higher incomes for farmers.

- **Organic Farming**

Many smallholder farmers lack the knowledge, resources, and quality inputs necessary to transition from conventional to organic farming. The Foundation provides training in organic practices, supplies high-quality seeds and organic fertilizers and can support on obtaining organic certifications.

- **Responsible Value Chains and Market Training**

Access to reliable markets remains a major challenge for smallholder farmers. The Foundation connects farmers with buyers seeking to build a sustainable value chain sourcing from the country of origin and which are committed to paying fair prices to farmers. To meet market requirements and comply with quality standards, the Foundation also offers training to smallholder farmers.

- **Digitization of the Value Chain**

Digitizing the value chain will help create traceability of products from smallholder farmers, which can help meet the changing legislation in European countries, as well as help receive a premium for their products from companies who look for traceable sourcing options. In addition, digitizing the value chain helps create transparency in the supply chain on prices received by farmers. Finally, the data collected from digital supply chain can aid tremendously in creating data and insights on smallholder farming, which is often lacking.

By sharing risks with smallholder farmers and actively investing in their income growth, the Foundation helps remove the initial barriers to their participation in commercial value chains. The Foundation supports the development and validation of innovative solutions for smallholder farmers by establishing proof of concept and gathering field-based evidence. Once these solutions are proven effective, they are designed to be scaled through market mechanisms. Indeed, with the Foundation's support, smallholder farmers are expected to become commercially viable, enabling markets to eventually take the lead in scaling these initiatives sustainably.

4. Activities of the Foundation

4.1 Our Current situation and our Activity Plan in 2025-2026:

4.1.1 In Malawi:

Central Malawi, Lilongwe

What we have done so far:
The Foundation has been actively implementing several initiatives in Malawi to support smallholder farmers in increasing their income and their climate resilience.

- **Organic Farmer Field School**

We have established the Organic Farmer Field School, located 30 kilometers from Lilongwe and home to a 100 villagers. The school serves as a demonstration plot for Malawian smallholder farmers where we conduct on-site training sessions focused on organic farming techniques, such as crop rotation, diversified cropping and agro-forestry systems, but also on water management. A cluster of 100 farmers has been formed around the School.

We also promote chemical-free farming and have started small-scale local production of organic inputs such as bio-fertilizers and biochar in the Field School.

The Organic Farming Field School plays a crucial role in engaging local farmers, inspiring them to adopt organic farming methods. Over the years, the goal is to onboard more farmers and provide them with access to the various opportunities offered through the Farming Field School.

- **Support establishment of a Solar-Powered Processing Facility**

The Foundation has supported establishment of a solar-powered processing facility in Lilongwe, equipped with industrial-grade machinery. The facility is fully operational, has obtained the necessary certifications, and has successfully validated that it meets export-quality standards. It is accessible to smallholder farmers, who can use it to process their groundnuts and dry their fruits, enabling them to add value to their crops and connect to both domestic and international markets. By utilizing renewable energy, the facility not only helps farmers increase their incomes through value addition but also contributes to reducing carbon

emissions and minimizing post-harvest losses, ultimately lowering food waste.

- **Connecting farmers to value chain of Organic Groundnuts**

The Foundation has supported 100 smallholder groundnut farmers in Malawi to improve their production practices through crop diversification and the adoption of organic farming methods. A key focus was helping farmers obtain organic certification by meeting rigorous standards, including compliance with traceability requirements. To support this, we have digitized the value chain to enhance traceability and also transparency on prices paid to farmers by introducing farmers card. In partnership with market actors, the Foundation has built a sustainable, single-tier value chain for organic groundnuts. This included connecting farmers to European buyers who are committed to fair pricing, living incomes, and long-term purchasing agreements. These efforts not only have secured regular employment for farmers but also promoted soil regeneration and reduce the environmental impact of agriculture.

What we plan to do in 2025-2026:

- **Scale Production of Bio-fertilizers in the Organic Farmer Field School:**

While current production is limited to small-scale use at the Organic Farmer Field School, we plan to support to scale it up by establishing a centralized organic fertilizer production facility. This will be achieved through the establishment of a centralized organic fertilizer production facility, equipped with the necessary tools and technologies.

The initiative involves developing tailored bio-fertilizer formulations, including biochar, using optimized processes and locally available bio-waste from processing activities, such as groundnut shells. These fertilizers will be specifically designed to suit Malawi's major crops and diverse soil types, creating value through a circular economy approach.
To ensure effective adoption, we will provide practical, hands-on training to

smallholder farmers on the use and benefits of organic fertilizers. Improved soil health offers numerous benefits, including increased water retention, enhanced nutrient availability, and higher crop yields—allowing farmers to boost productivity per acre. Moreover, the use of bio-fertilizers and biochar contributes to carbon sequestration in the soil, positioning the Foundation to explore participation in carbon markets. The potential revenue from carbon credits would create a sustainable funding stream to continue providing training and support to farmers in organic farming practices.

Complementing this, we will implement agroforestry initiatives by promoting tree planting on smallholder farms. Integrating trees into farming systems will further improve soil fertility, support biodiversity, and provide shade for crops.

Here is an overview of the key activities that we are carrying or planning to implement at the Organic Farmer Field School:

- **Increasing access to renewable-energy technologies for farmers:**

The Foundation will also introduce solar-powered irrigation systems for 200 farmers, including the installation of solar pumps, water distribution infrastructure, and boreholes at the Organic Farmer Field School and in one surrounding farming cluster. To ensure sustainability, farmers will also be trained in the maintenance and repair of these systems. This will enable year-round farming and support a second growing season, leading to increased incomes.

We are also aiming at expanding the facility's processing and warehousing capabilities to handle greater volumes and serve more farmers.

4.1.2 In Nepal:

Lumbini, Karnali, Bagmati, Gandaki and Madhesh provinces

What we have done so far:
In Nepal, the Foundation aims to facilitate the transition of smallholder farmers to organic farming practices, increase their income and climate resilience. At the end of 2024, this project was in its planning phase.

What we plan to do in 2025-2026:

- **Agro-forestry training:**

One of the objective is to train the farmers in organic farming practices, provide high-quality seeds and organic inputs, and assist those who wish to obtain organic

certification. We aim to work with smallholder farmers across five provinces of Nepal: Lumbini, Karnali, Bagmati, Gandaki and Madhesh. By engaging with farmers in five districts—each representing diverse geographical and climatic conditions—we will be able to support a range of value chains, including fruits, spices, grains, and legumes.

- **Digitization of the value chain**

The project will also focus on supporting digitization of the value chain to improve traceability and transparency. We will support to integrate a traceability system through a digital tool to monitor the entire value chain, from the field to the final consumer. The traceability system will support smallholder farmers to comply with European regulation and access premium markets from companies who look for traceable sourcing options.

- **Increasing access to renewable-energy technologies for farmers:**

The project also seeks to improve access to renewable irrigation systems, including pumps, power sources, and distribution networks, while offering support for the installation of necessary infrastructure. Additionally, the Foundation plans to support develop local processing facilities that enhance value-added production and establish a solar-powered, centralized quality control center and warehousing system to meet high-quality standards and ensure proper product storage.

4.1.3 In India:

North-Eastern part of India, Meghalaya

What we have done so far:

In India, we have currently supported self-help groups (SHG) composed of female smallholder farmers who have come together to improve their livelihoods through collective action. In Meghalaya, one such SHG is led by Merita. We have been providing holistic support to her group, whose members cultivate Lakadong turmeric —a unique, high-curcumin variety indigenous to the region and known for its superior quality.

Our support included training in agroforestry, assistance with processing facilities, guidance on meeting quality standards, and establishing market linkages for their turmeric.



What we plan to do in 2025-2026:
We plan to expand our support to more women smallholder farmers and SHGs in the region, extending our services beyond turmeric cultivation to include ginger farming as well. We have already identified SHGs that have expressed interest in joining the initiative.
Our approach will provide comprehensive support, including the provision of organic inputs and high-quality seeds, training in financial management and governance, as well as expanding local processing capacity and strengthening market linkages.

Additionally, we aim to promote agro-forestry by scaling up tree-planting initiatives in collaboration with smallholder farmers. This will be integrated with intercropping practices to enhance biodiversity, improve soil health, and foster more sustainable and resilient farming systems.

4.2. Future Outlook

We aim to support 20,000 farmers in the coming 4 years in the selected countries -

Nepal, India and Malawi. We will identify new communities which requires the support and has the motivation to grow to become profitable and sustainable farmers.

The Foundation has gained two years of experience working with smallholder farmers, generating tangible impacts, and producing two annual reports that summarize the scope of activities undertaken. We aim to secure additional support and funding in the future to expand our efforts and assist more farmers

5. Fundraising Strategy

The Stichting Grown Farm Incubator Foundation receives donations through various channels.
At least, 90% of the donations goes directly to the farmers and Grown Farm Incubator Foundation does not use any of the donations to cover overhead costs.

Below is the detailing of our Fundraising strategy:

a. Grown Foundation Introduction Document for CSR Funds
   An introduction document which explains the purpose and plans of the Grown Farm Incubator Foundation is prepared and shared with different Foundations and organizations who have a Corporate Social Responsibility Fund available for such projects.

b. Application to call for proposals from organizations
   The Grown Farm Incubator Foundation will continue applying to public ‘call for proposals’ from different organizations looking to support such projects supporting smallholder farmers.

c. Memberships /repeated funding
   The Grown Farm Incubator Foundation will also explore the possibilities of working with crowd-funding platforms to raise the required funds as a on-time donation or repeated donations from individuals.

d. Social Media Campaigns
   Awareness campaigns about the farming communities we serve and our support will be shared through different social media platforms to reach out to more potential individual and organizational supporters.

e. Exploring carbon credits generations:

The Foundation will conduct a feasibility study on carbon credit generations to explore the possibilities of earning revenues from production and application of biochar-based bio-fertilizers into the soil.

6. Governance

6.1 Members of the Board

The Stichting Grown Farm Incubator Foundation has a board that is responsible for the management of its funds.

As of now, the board of the foundation consists of three persons:

- President of the board (Voorzitter): Mr. Pratap Thapa
- Treasurer (Peningmeester): Ms Alisha Chhetri
- Secretary (Secretaris): Mr. Lennart Budelmann

The Foundation operates solely on a volunteer basis.

6.2 Activities of the board

6.2.1 Assemblies

The board meets at least two times a year for a board meeting.
The meeting will be documented by minutes of the meeting.

6.2.2 Treasury Management

The board is responsible for an appropriate financial management of its funds.
Therefore, the following activities are carried out.

- In February of each year an annual budget is created and a cash flow planning is made.
- During the semi-annual board meeting the cash flow is revised and the budget is adjusted
- The foundation only seeks to accumulate so many assets as is required for its operation and carrying out of planned activities. At the end of the project, assets could be transferred to third parties, such as farmer cooperatives.

- Annual accounts are published and audited by an external party
- Projects will be structured as fundraisers and approved only upon accumulation of sufficient funds to support the full project.
- Overhead costs will be reduced to a minimum in order to maximize the funds dedicated to the foundations goal.

6.2.3 Compensation Policy:

All members of the board work on a voluntary basis and do not seek financial benefits from their position. They do not receive any compensation for working hours. There is an attendance compensation for meetings which is determined by the board, highlighted in the management plan and within the permissible fiscal limits (artikel 1a, eerste lid, onderdeel e, van de UR AWR 1994).

6.2.4 Management of liquidation balance

In case of a winding down of the foundation, the board commits to donate all of the remaining funds for a good purpose aimed at the support of smallholder farmers

6.2.4 Annual Statements

Upon the closure of its first financial year, the foundation will publish its financial statements on the website www.gronframfoundation.org

7. Spending of Funds

All Funds accumulated by the Stichting Grown Farm Incubator Foundation will be dedicated to serve the purpose of the Foundation. At least, 90% of the funds receive are dedicated to programs and directly benefit the smallholders farmers.

There is no payroll as the Foundation is only relying on volunteering work.

To do so, the board of the foundation will aim to dedicate the funds according to the following proportion.

1. up to 5% of the annual budget will be used to compensate the expenses of the foundation. As of now, these budget items are limited to
    a. Cost of website server
    b. Print material
    c. External administration office for preparation of annual accounts
    d. Small contribution to the rent

2. up to 5% of the annual budget will be used to acquire funds. These cost might involve:
    a. Bank Charges & interest
    b. Fees for crowdfunding platforms
    c. Preparation of small merchandise
    d. Reimbursement of travel cost for physical meetings of the board with donors
    e. financial reserves to assure operational continuity of the foundation

3. at least 90% of the funds are dedicated to programs of the foundation to directly benefit smallholder farmers