

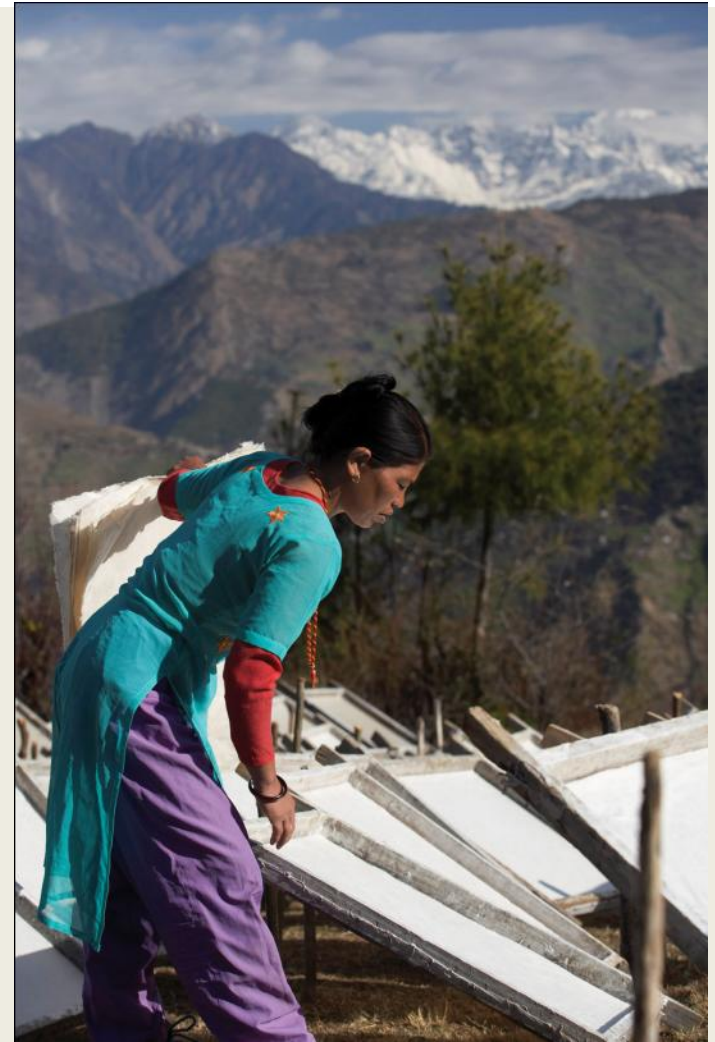
Supporting Small Forest Enterprises in Nepal

2nd International Forest Connect Workshop
16-18 February 2010 Addis Ababa, Ethiopia



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Executive Director
ANSAB (Asia Network for Sustainable Agriculture and Bioresources)

- Civil Society Organization, governed by an International Board, established in 1992
- Works in South Asia & headquartered in Kathmandu, Nepal
- Vision: Rich biodiversity & prosperous communities
- Mission: Implement community-based, enterprise-oriented solutions



Forest Connect Nepal Initiative

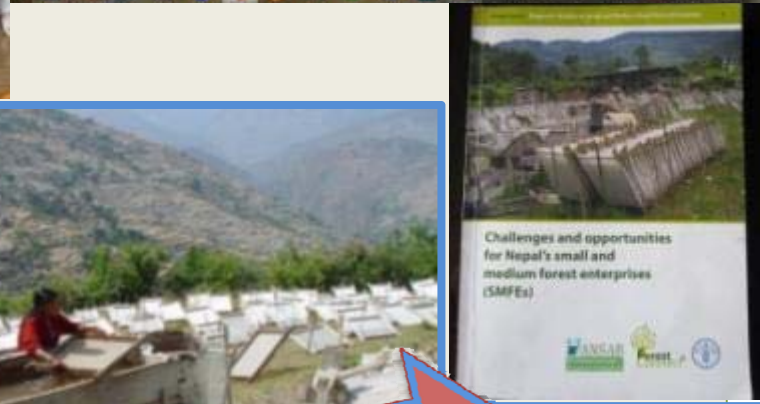
- Started in August, 2007
- Generated useful information on SMFEs and CFUGs that includes a diagnostic study, a comprehensive review of 6 species, documentation of value chain analysis process and lesson learned, major challenges and barriers faced by SMFEs and critical services required
- Initiated a Network and mechanism to share, interact and access information for Forest Connect participants in Nepal by developing a FCN website, a web directory of SMFEs, a toolkit module to facilitate SMFEs, organizing national stakeholders' meetings, workshop and dialogues; and supporting strengthening of association of SMFEs and CFUGs

ANSAB and Forest Enterprises

- Over 1,100 economic entities developed and strengthened
- 77.5 thousands economic participants generated additional annual income of US \$6.82 million in 2009
- 100,672 ha of forest and meadows brought under improved community management (representing 60,161 HHs)
- 8 FSC CoC certified enterprises

Forest Enterprise Activities

- **Business planning**
- **Micro, community based and national enterprises creation**
- **Business Development Services (BDS)**
- **Market linkage & information dissemination**
- **Certifications**
- **Promotion of Networks**





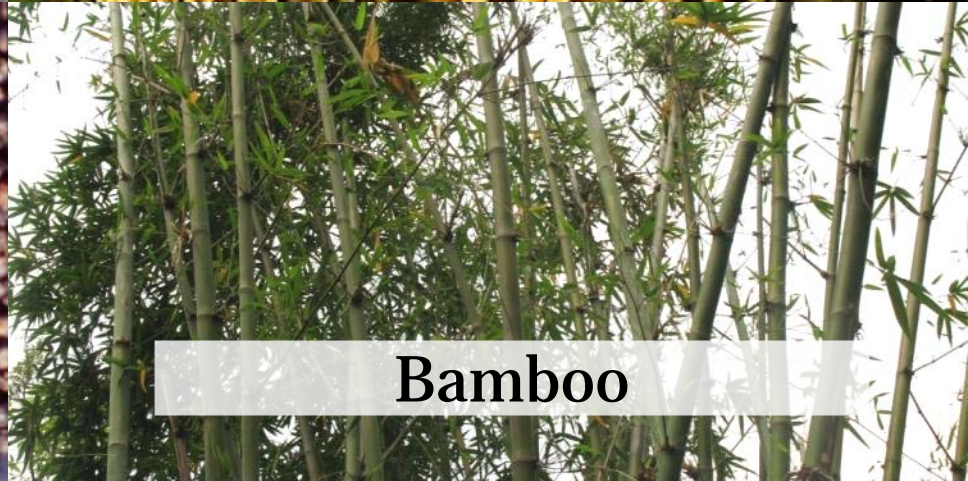
Anthropogon



Guchhichyau



Juniper



Bamboo

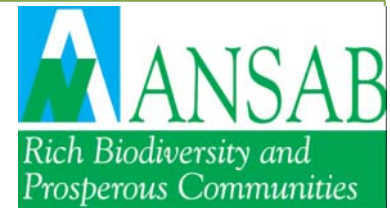


Rittha



Large Cardamom

Example 1: Supporting SMFEs of Nepal for sustainability standards



Objective:

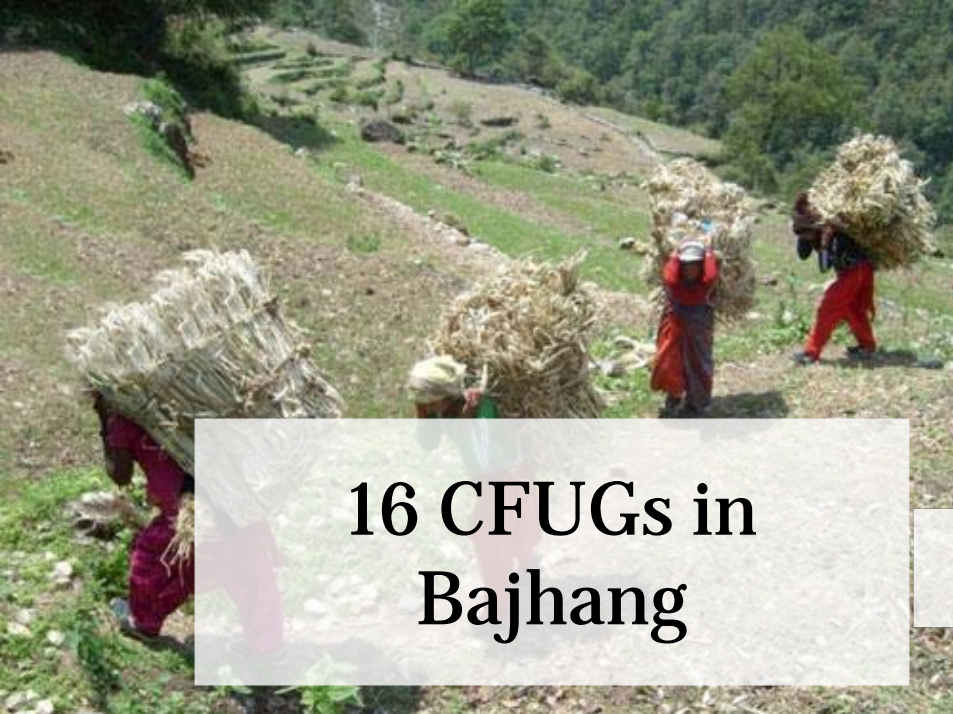
- Support SMFEs to meet international standards of sustainable forest management and get third party certification

Activities:

- Facilitated a Private public alliance (PPA) for the certification and sustainable marketing of Non-timber forest products (NTFP)
- Developed interim FSC timber and NTFP certification standards, a group certification model, and awareness raising and capacity building efforts
- Adopted a group certification model for forests/NTFPs

Impacts:

- SmartWood / Rainforest Alliance awarded FSC forest management group certification to FECOFUN for NTFPs and timber
- Certification covers 21 CFUGs with 14,086 hectares of forests, and more than 24 NTFPs
- The international cosmetics company AVEDA is using the FSC certified handmade paper from Malika to wrap their holiday gift boxes since 2007



16 CFUGs in Bajhang



Malika Handmade Paper Company



AVEDA



Himalayan BioTrade Ltd.

National Market

International Market

HBTL

BCP

Tibetan Handicraft

Bimeshwor

Everest Gateway

Dolakha-Sindhu

Pandit Kamala

Malika

Tamang

Salija

Sole

Shailung

Juneli

Jana Pragati

Lekphan

Dorpatan

Dolakha

20 CFUGs

5,368 Ha.

4,933 HH

Bajhang

16 CFUGs

6,978 Ha.

2588 HH

Baglung

3 CFUGs

816 Ha.

597 HH

Parbat

3 CFUGs

515 Ha.

1174 HH

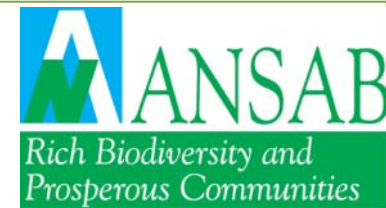
Myagdi

9 CFUGs

3200 Ha.

1498 HH

Example 2: Product upgrading for marketable bio-briquettes in Nepal



Objective:

- Support potential briquette makers to develop marketable product and its accessories for convenient use.

Activities:

- Established 5 local enterprises involving 10 CFUGs
- Improved the traditional stoves and briquettes production technologies
- Provided technical assistance to the communities,
- Experimentation phase for quality increment and mass production
- Established Himalayan Naturals, produced appealing packaging, and conducted market campaigns

Impacts:

- Briquettes come with appealing packaging, tripods and cooking stoves available in urban markets
- 500, 000 briquettes and 2,200 improved stoves sold in Kathmandu for last 3 years
- Unmet demand of briquette in Kathmandu
- Direct employment to 94 people (52 men and 42 women, income: US\$ 24,934/yr)



**10 CFUGs in
Dolakha &
Sindhupalchowk**



**5 Community
Enterprises**



**Kathmandu
Consumers**



Himalayan Naturals

**Tools/machine
fabricator**
Shakya
Engineering

Stove Makers
Newa Art
Ceramics &
Everest Ceramics

Himalayan Naturals

Private
Investors

Community Enterprises

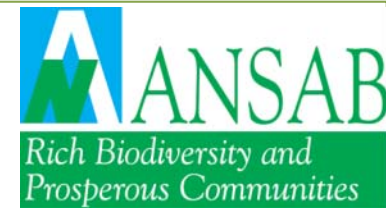
Private
Investors

CFUGs

Poor &
Women
Subgroups

CFUG
Users

Example 3: Developing Wintergreen value chain in Nepal



Objective: Develop a responsible Wintergreen value chain by establishing processing enterprises at local level, improving business environment and provision of business services

Activity:

- Conducted participatory value chain analysis identifying potential site, available resource, market potential, potential outreach, processing options including technology
- Conducted enterprise feasibilities
- Supported to establish community-based processing enterprises
- Developed socially and environmentally lead firm for consolidation, marketing
- Supported in certification and market diversification

Impact:

- Established 20 distillation units with annual production volume of 5000 Kg oil.
- Created jobs at local level in harvesting and distillation
- Increased income level harvesters and distillers
- Price of the product increased due to certification and market linkages
- Expanded market of Wintergreen oil

Lessons

- Transforming primary producers into SMFEs requires: external support for organizing and capacity building; & access to financial and non-financial BDS
- CBFEs are critical to integrate producers into VCs
- Role of responsible lead firms is critical – meeting market requirements and needs of CBFEs

Lessons

- Ecological sustainability requires: secured land tenure, capacity building, tech. assistance, meaningful economic incentives
- Development of self-sustaining VC with balanced governance structure requires - economy of scale, large investment, & long-term commitment
- No shortcut – if long-term poverty reduction and environmental conservation goals are to be achieved

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