

# **Briquette value chain in Nepal**

## **A model for economically viable, socially beneficial and environmentally sustainable business**

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Write shop of business models for  
Successful, locally controlled, forest and farm enterprises  
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# ANSAB

- 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: Generate & implement community-based, enterprise-oriented solutions



## Context

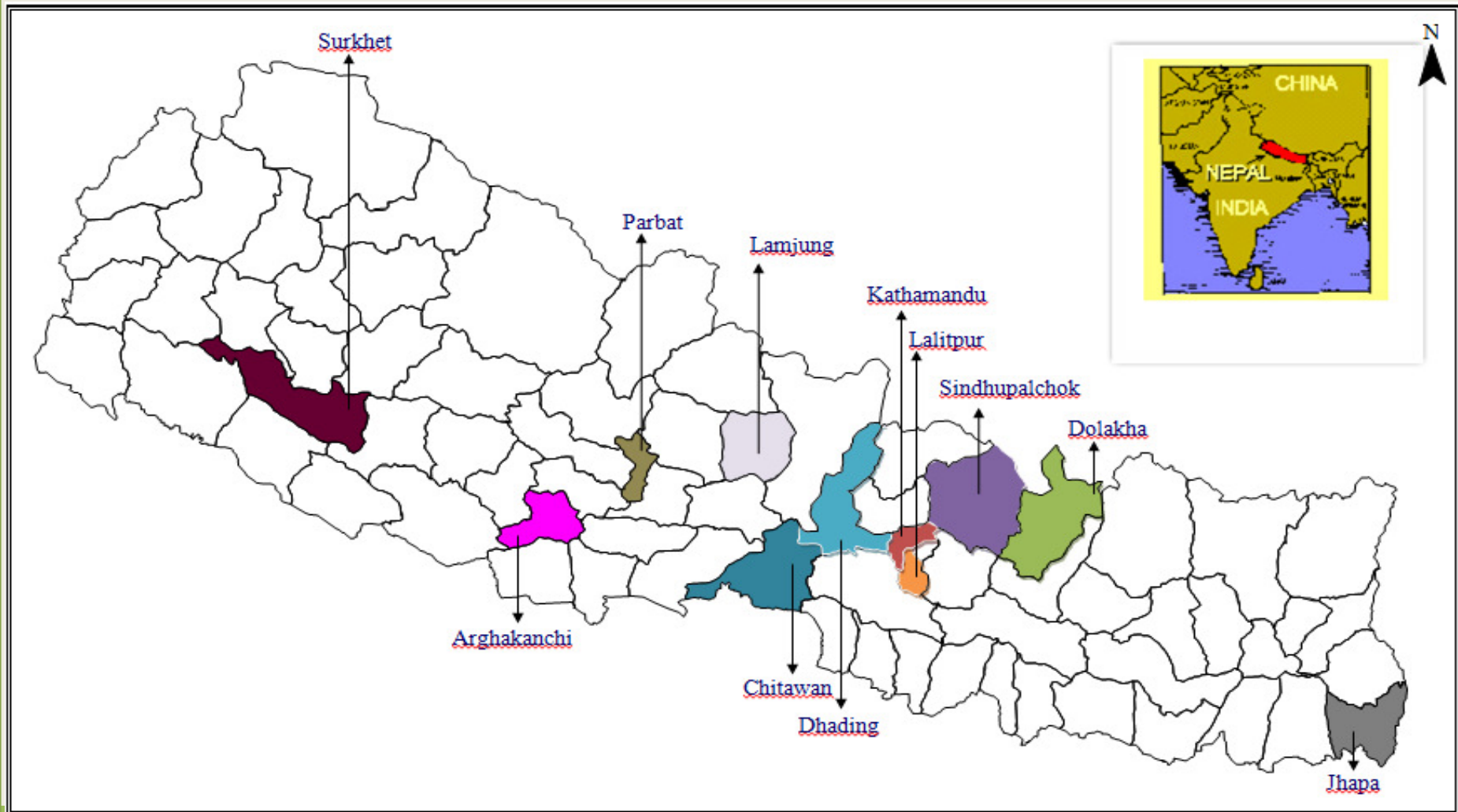
- Several small-scale bio-briquettes projects supported by several NGOs and donors – mostly unsuccessful
- Could not be a commercial venture – despite latent demand at urban market and huge production potential in rural areas
- Artisan level producers' capacity is low to sustain in existing market
- Private investors level – only two are operating (rice husk or saw dust briquette)

## ANSAB's intervention

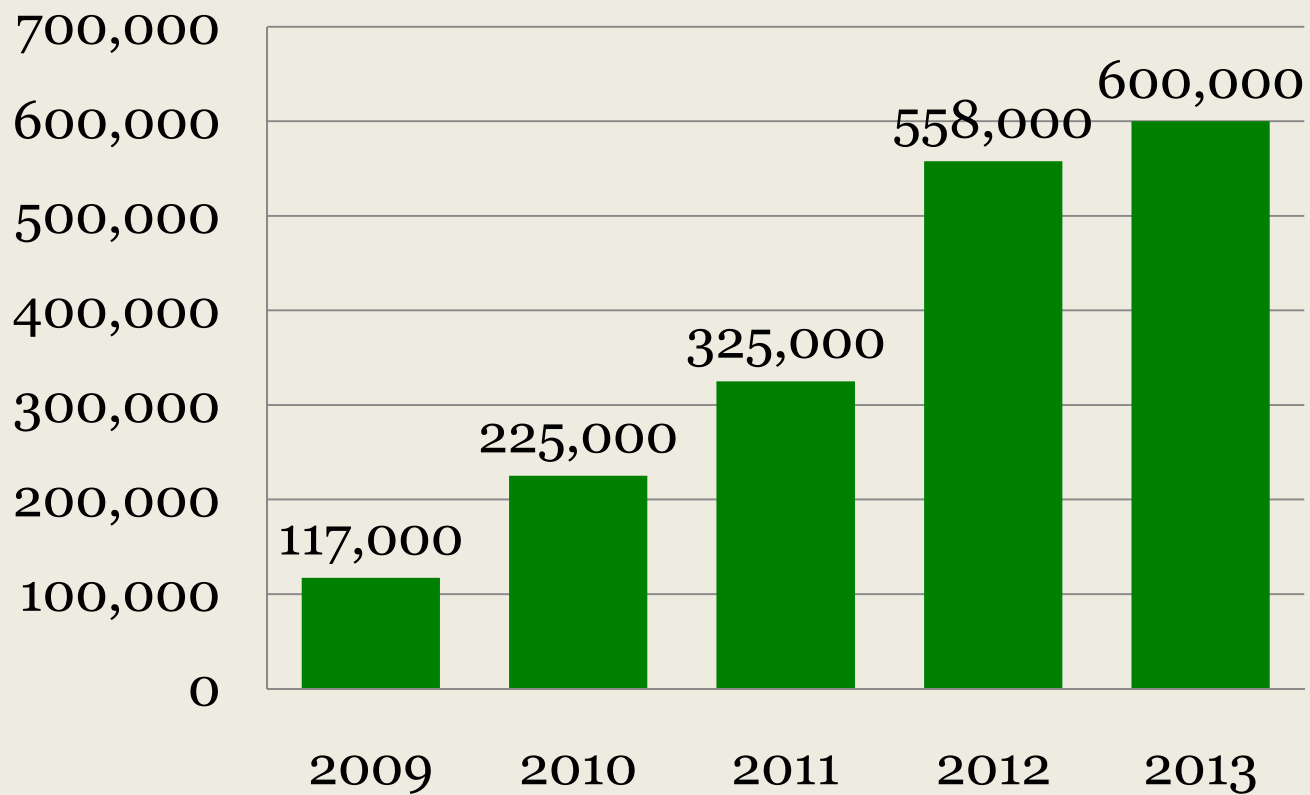
- 5 community-based briquette-producing enterprises
- 1 marketing company (Himalayan Naturals)

## Himalayan Naturals

- A social enterprise with community-private partnership model
- Mission: to explore rewarding market for community produced natural products while engaging into entire value chain for improved product quality and organized production
- Registered in 2010
- Product line – Main - bio-briquette, small scale - Ginger Candy, Broom Grass, Organic spices



# Sales of briquette





# Employment

Activities	Employment	
	Female	Male
Raw material collection		35
Briquette production	70	
Stove production	8	2
Stove-stand production		4
Marketing	3	7
Briquette wrapping and packaging	3	3
Machine fabrication		7
Transportation		6
Owners (shareholders) and management	18	29
<b>Total</b>	<b>102</b>	<b>93</b>



# In the field







## Flow of the Product

CFUGs

21 Community  
Enterprises

Kathmandu  
Consumers

Himalayan Natural  
Pvt. Ltd.

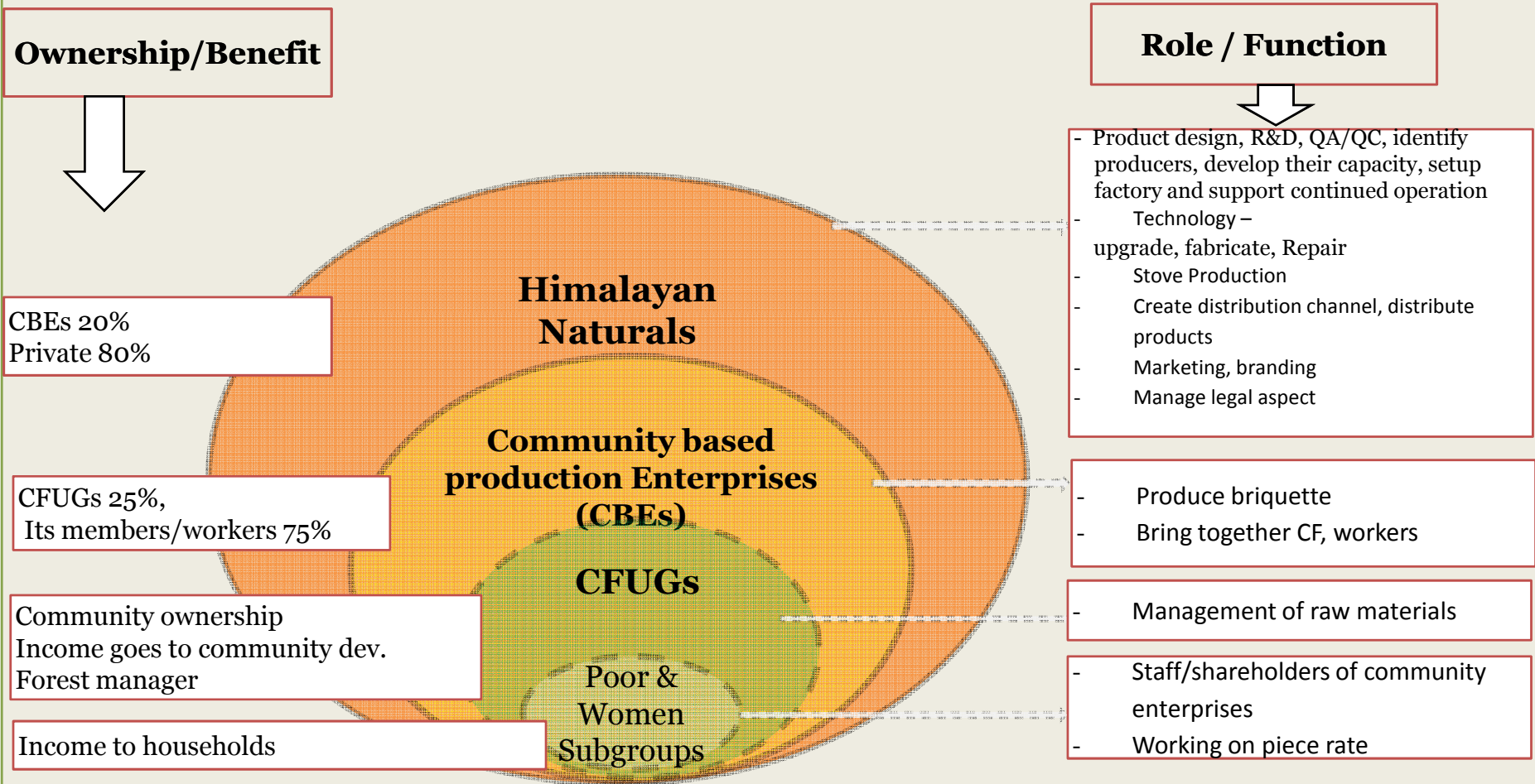
Stoves  
Manufacturers



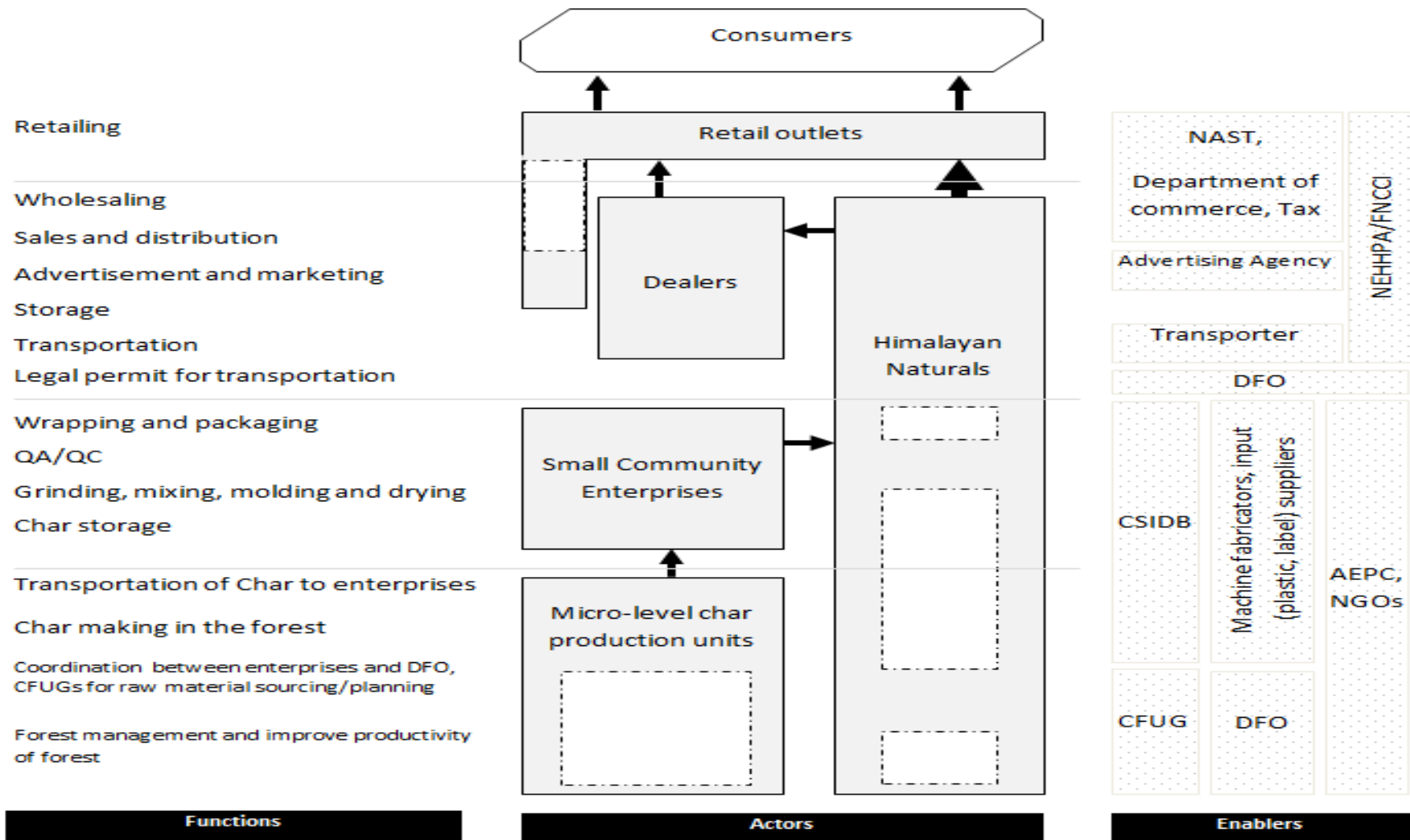
# Market Segments



# Organization of Enterprise Activity



# Briquette Value Chain



## Business Partners

- Manufacturers of Accessories (Stoves and tripod)
- Retailer – Bhatbhateni Supermarket

## Who has control over it?

### Idea into reality

- ANSAB – Himalayan Naturals

### Access Control

- Forest Act 1993 and Forest Regulation 1995
- Community Forest User Groups

### Business Control

- Himalayan Naturals
- Community Enterprises
- CFUG members



## Success due to ...

- Resource extraction in CFUG Operational plan
- Ownership model has solved complex issue of labor management
- Producers assured on buyback and with awareness on quality production and packaging
- Storage facility for increased supply – production in summer and stored in warehouse for sale during winter
- Demonstration kiosks and increased trading places for market expansion

## Key lessons

- At enterprise level
  - Reduction in cost - Production at scale with improved technology
  - Increase in consumer demand – market promotion and attractive package along with quality assurance
  - Leadership, entrepreneurial and other skills

### At value chain level

- A long-term committed lead firm having clearly stated value chain vision
- Programs and agencies facilitation on commercialization, sustainable raw material supply and creating favorable policy environment

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