

Promotion of Women Enterprise Initiatives

Project Completion Report

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Chapter One

Completed Activities

1.1 Introduction

More than a thousand women in the rural localities of the Sangkhuwasabha district have been producing woven cloth items using a typical raw material called *Allo* or *Bhangre Sisnu* (Himalayan Giant Nettle) plant for two decades, which is 1-4 metres tall and grown wildy in the wet and sloppy land at the altitude of 1200-3000 metres from the mean sea level in the mountains of Nepal. Its life is one year, but its roots can live for many years. During the spring season, small shoots come up from its roots and the under part of stalk. This plant is a fibre plant and can be used as a renewable natural resource. Very small thorns are there in its stalk and leaves, and it gives unpleasant itching when one touches it. It is found in the humid and temperate climate of the mountain. It has been found in more than two dozen hilly districts of Nepal from the east to the west.

The fibres of *Allo* are longer and stronger than the fibres of other plants. So, the clothes made of it are stronger and more durable than other sorts of clothes. *Allo* is also linked with cultural values of the indigenous ethnic groups of Nepal (like Kulung Rai). The major issues were profoundly identified as follows before beginning of the project.

- Due to the lack of awareness, women in that locality have not been organized in a forum for working together with a view to run a more successful business. There is the absence of coordination among women involved in processing, production and marketing of *Allo*-made cloth materials, due to the unorganized efforts. As a result, they are not satisfied with their business in the existing situation.
- Lack of skill is a major cause leading to the problem in producing modern or new-fashioned cloth items based on the users' demand. The gap between users' interest and producers' traditional design has created problems in the fruitful business of these products. Thus, meeting the market demands is the most significant challenge for the producers of such goods.
- Lack of financial support to the cloth producers is another challenge in the project area. Due to this, financial management of the women running the enterprises has been further complex. As a result, they have faced financial crisis to buy new raw materials for production, due to the long time required in selling the earlier products.
- The women involved in production, processing and marketing of *Allo*-made cloth materials are adopting this occupation as a side job rather than being professional in it, since they are informed only a little bit about the contemporary national and international market where the *Allo* made products have a high demand due to the strength and durability of the substance. Moreover, *Allo* clothes are worn for good health to control allergy and hyper tension etc.

Knowing this reality in the *Allo* based cottage industry, the Promotion of Women Enterprise Program was designed and applied for award competition. It has been distinctly praised by Nepal Development Market, 2008 in Kathmandu, organized by the Poverty Alleviation Fund and World Bank in May, 2008. The goal of the project was to improve quality of women life of Sangkhuwasabha district through promotion of enterprise in the technical and financial

parameters using the locally available resources. To achieve this goal, the project mainly focused on the establishment of Women Enterprise Cooperative that provides platform to those women for entrepreneurship in the district. Without the commercial production of traditionally adopted *Allo* cloth weaving occupation, women employment opportunities could not increase in a sustainable manner. This project, therefore, was implemented in the three Village Development Committee (VDCs) of Sangkhuwasabha district, namely Bala, Sisuwa and Tamafok (see map, annex- 2) during from July, 2008 to June, 2009.

1.2 Implemented Activities

During the implementation of the project, the following activities were carried out in the field, as discussed briefly in the respective topics.

1.2.1 District Level Seminar on Allo Enterprise Planning

The district level planning workshop was conducted on 28th Sept., 2008 at Khadbari, Sangkhuwasabha. The main objective of the workshop was to formulate the vision, strategies and programs for sustainable development of Allo enterprise in the district with the participation of all the concerned stakeholders at district level and target beneficiaries. Similarly, the program's activities for the promotion of women enterprise initiatives were also shared among the participants on the occasion.

This workshop designed the five year's vision for Allo enterprise development in establishing of major Allo producer district in Nepal by collective way. In order to meet the vision of the district, the strategy and program were also planned in the workshop. This planning will be helpful to link present and future activities in Allo enterprise development for concerned stakeholders.

1.2.2 Women Enterprise Cooperative

Meetings were held at two levels (primary and secondary) separately to form cooperative with women entrepreneurs of the Allo products in Bala and Sisuwa VDCs. After the meetings, all required documents were prepared and forwarded for the registration of cooperative in the Division Office of Cooperative at Dhankuta. The office ultimately provided registration certificate for the "Women Enterprise Cooperative Ltd." Bala, Sangkhuwasabha. And then, 54 entrepreneur women have been formally affiliated as the shareholders of the cooperative up to date. The affiliation process is ongoing; and it is expected that all the Allo Weavers of all VDCs will be affiliated to the cooperative in the future.

1.2.3 Allo Enterprise Resource Center

The main objective of the establishment of Allo resource center was to make a common platform for the Allo weavers of cooperative members in the district. In order to build a resource centre of women cooperative at Khadabari, the map of resource center was prepared with the help of overseer. Khadabari municipality and district development committee were requested to make a formal decision to provide land for women cooperative. Similarly, FECOFUN Sangkhuwasabha was also requested to coordinate with CFUGs to provide timber required for building construction. Meanwhile, lobbying was also done with municipality officer and leaders of major political parties for quick decision-making on this matter.

Unfortunately, the matter of receiving land remained undecided for a long time. Meanwhile, the cooperative has planned for buying 0.5 Ha of land. The cooperative has been lobbying with local bodies for supporting the land purchasing. The cooperative has committed to build the resource center on its own land in the coming winter.

1.2.4 Exposure Visit

Eight members of cooperative and 3 staffs of program were involved in the market study and observation visit on may 2009. They visited and discussed with Allo product traders and big houses of Thamel, Tripureswor, Kupontole and Jawalakhel, Kathmandu. The participants also visited *Kala Guthi* where they observed new designs of production and showrooms of clothes. They got the opportunity to build relationship with them for linking business work in the future. It was learnt that the hand-made clothes need to maintain quality rather than mass production. The members of cooperative understood from the visit that, though it would be more time consuming to maintain quality the time, skill and labour spent on production should be included in the ultimate cost of the products.

1.2.5 Training

Several trainings were organized for women entrepreneurs. For enhancing their skill on processing of Allo, five-day short term training was conducted at Tamafok VDC, in which 14 women had participated. The training was field-based; and it provided the participants with the required knowledge and practical skill in the collection and processing of Allo. The second training was conducted on quality weaving of cloths. Similarly, they practiced in Warp method and designing techniques on June 2009, with the facilitation of experienced local level weavers. This event was organized with the partnership of Village Development Program under Bala and Sisuwa VDCs. Altogether 12 weavers had participated there. In order to develop institutional skill on cooperative, 26 women participated in the basic level cooperative management training.

Through these trainings, overall, the trainees learned on control of quality, different designs of weaving clothes and concept of cooperative which can encourage them to make quality products in the coming days.

1.2.6 Souvenir House

To increase the market access of Allo products, a souvenir house was operated from April 2009 by the women enterprise cooperative at Khadabari, Sangkhuwasabha district - which was formally inaugurated on 3 July, 2009 by Mr. Rajbabu Shrestha, Executive Director, PAF and Mr. Yubraj Subedi, LDO, DDC Sangkhuwasabha. It has become the main market channel of Allo entrepreneur women in the local and national markets. This souvenir house provides all variety of Allo materials to the visitors and tourists in the district headquarter of sangkhuwasabha.

1.2.7 Production of Dissemination Materials

The following tools were prepared and distributed for wider dissemination of Allo enterprise.

1.2.7.1 Publication of Introductory Booklet

An introductory booklet entitled "Allo Plant: Possibility of Enterprise Development" has been published, incorporating brief information on its cultivation, conservation, processing, weaving and marketing. The booklet is expected to be useful for the governmental and non-governmental institutions as well as researchers, in getting informed about Allo plant and its utilization.

1.2.7.2 Website Operation

A webpage of women enterprise cooperative has been designed; which is: www.enco.com.np After the operation of website, it has been helpful to disseminate the information related to the activities of cooperative, Allo clothes and its by-products all over the world.

1.2.7.3 Visual Documentary

A short visual documentary was prepared to give detailed information on the whole cycle of Allo processing for handloom-based cloth production. The collection of Allo bark, washing of bark for the preparation of the *Jakhilma*, use of spindle for the purpose of spinning and making thread, warping and weaving of cloths.

1.2.8 Monitoring

Monitoring is a fundamental approach to the effective implementation of programme's activities. RDN monitored the field-based activities twice - in October 2008 and in June 2009. Some feedbacks were provided to the programme's team for further effective implementation of the project.

1.2.9 Participatory Interaction Programme

One-day participatory interaction programme on "Possibility of Allo Enterprise and Way to Professional Work" was organized by the Women Enterprise Cooperative at Khadbari on 3 July, 2009, in which the target communities, local stakeholders, RDN and PAF representatives had participated. In the programme, the project's learning was shared with the participants. Thereby, a fruitful discussion was carried out among participants for further issues on Allo enterprise.

Chapter Two

Achievements and Learning

2.1 Achievements

The major achievements of the project are summarized in the following points:

- 54 entrepreneur women have been affiliated in the newly established Women Enterprise Cooperative Ltd.
- 42 entrepreneurs have gained Allo processing, weaving and designing skill; and 26 have gained knowledge on basic cooperative management.
- The production of Allo-made items has been started in new designs as per the market demands - including coat, shawl, sandal, cap and purse, etc.
- The process of the establishment of Allo Resource Centre is going on in the district.
- Enterprise Fund has been initiated amounting 2, 00,000.00 rupees in the cooperative after the project's support. In addition to this, a sum of 17,820.00 rupees has been collected from the share of the cooperative members in the cooperative.
- Linkage has been established between the women's cooperative and the market of Allo products at national level.
- A short audio-visual documentary has been prepared and website has been operated by the Women Enterprise Cooperative.
- Coordination has been established with community forests for the supply of Allo fiber in the project site from other parts of the district.
- Weaver women have started receiving the price of their products immediately.
- The determination of fair and competitive price has started by providing alternative channel to the weavers in marketing.

2.2 Lessons Learned

Through the implementation of the programme, the organization has got opportunity to learn the following things on community based enterprise development especially among the rural women.

- Beneficiaries have actively participated on their organizational development and linkage with other agencies.
- Weavers can be encouraged by immediate payment of the price of their cloth materials, which contributes to their satisfaction and ultimately increases production.
- One year's time is insufficient for the establishment of community-based organization and strengthening process.

- Weavers need refresher trainings for quality control and developing new designs time to time – in order to ensure the clients' demands. There is the need to produce goods in various fashions and designs according to the demands of international markets.
- It is possible to replicate the experience and skill from project areas to the other Allo producer districts - for initiating enterprise in the respective local areas.
- A large number of people want to purchase the health friendly clothes produced in hand-loom produced by the rural women. But the youth generation and urban people are not informed regarding where it is produced; and who are the producers of it.
- The government policies are not very conducive on the development of community based enterprise which could not motivate the entrepreneurs - e.g. regarding cooperative development.
- The extension of hand-loom production creates rural employment for women, earning of foreign currencies; and thus contributes to the growth of national economy.

Chapter Three

Conclusion and Recommendation

3.1 Conclusion

During the implementation of the promotion of enterprise initiative, the programme encouraged Allo entrepreneurs to organize in their own organization. After the formulation of district's Allo enterprise visioning by all district level stakeholders, the weavers were facilitated to establish cooperative. Accordingly, the program proceeded ahead by gathering the weaver women at village level with the goal of establishing cooperative. All the required documents were forwarded to the Regional Cooperative Office of the Government of Nepal and "Women Enterprise Cooperative Ltd" was legally registered through a long follow-up. The cooperative has already come in operation now at the village and district level. Nowadays, altogether 54 entrepreneur women are affiliated as shareholders and this process is continuing. In order to establish the enterprise fund under cooperative, the programme has supported 2,00,000 rupees. Using that fund, the cooperative has initiated to operate a Souvenir House at Khadbari that has significantly become the main outlet channel of the products in the market which was jointly inaugurated by Mr. Rajbabu Shrestha, Executive Director, PAF and Mr. Yubraj Subedi, LDO, DDC Sangkhuwasabha on 3 July, 2009. This House collects production from the shareholders; and then sells the items in local and national markets.

The skill-based training on processing, quality improvement and designing was conducted for weavers in partnership with village development program/VDCs. The establishment of Allo Resource Center is ongoing now. Similarly, a one week long exposure visit was organized for women in the national market, Kathmandu. Through the visit, linkage was established with national traders and business houses. It has been felt that the process of establishing community based organization and its empowerment needs long time period; but the time spent on project activities was limited. Likewise, one obstacle is that the government policies on strengthening community organization (eg, cooperative) are not very much conducive in some respects; which should be changed over the time. However, the Himalayan giant nettle (Allo), a locally renewable non-timber forest product, has being taken as a commercial crop in the mid hills.

3.2 Recommendations

From the experience of implementing the enterprise program, it was felt that the following recommendations would be relevant to suggest in order to improve Allo enterprise in the rural communities.

- i) Allo Enterprise occupation of rural women is linked with their livelihood. They want to get some long-term support for their enterprise. We should concentrate our activities continuously up to the period of five years with some concrete efforts in sustainable manner.

- ii) The rural women entrepreneurs need refresher training to upgrade their skill and knowledge time to time—in order to meet the market demands. Thus, the skill based training has to be organized to improve the quality and design of products.
- iii) Allo is available in more than 2 dozen districts of Nepal, and it is a renewable natural resource. So, the Allo enterprise promotion activities should be replicated in other mid-hill districts that can contribute the generation of employment for the rural women.
- iv) The government policies of enterprise development are overlapping and controversial. Such policies are constraints to work smoothly in the community. For example, there are constraints in the development of community based organization like cooperative. The community based organizations (CBOs) cannot be directly involved as the shareholders of a cooperative. The cooperative rules and regulations, so far, have allowed the membership only for individuals. Nevertheless, individuals as well as groups have been associated with the cooperative. Group's involvement is noticed in many cases in an indirect way. Even though the government has been continuously emphasizing the theme of cooperative movement at the village level in the policy, program and plans every year. So, we should focus on policy advocacy to amend the existing rules and regulations – with a view to draw the government's attention towards reformulating the programmes and plans accordingly from district to the national level.
- v) A national level showroom is needed for the further promotion of Allo-made products to for their wider marketing. Preparation works are required towards this direction, in the days to come – so that this particular indigenous product could be recognized throughout the country and even internationally on one hand, and in order to establish the system of giving maximum benefit to the cooperative members through the direct linkage with the market. Doing so, the existing practice of benefiting the middlemen would be discouraged.

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