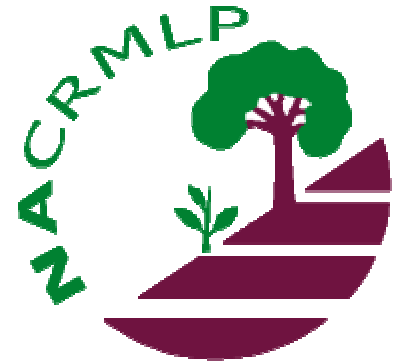


**NEPAL AUSTRALIA COMMUNITY
RESOURCE MANAGEMENT AND
LIVELIHOODS PROJECT**

Institutional Analysis of
Timber and NTFP-related
Service Providers in
Project Districts



Prepared for

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Acronyms

AEC	Agro-Enterprise Centre
BDS	Business Development Service
BP	Business Plan
CCI	Chamber of Commerce and Industry
CF	Community Forestry
CEBUB	Centre for Business Development
CFUG	Community Forestry User Group
DAG	Disadvantaged group
Dalits	So-called untouchables in the Hindu caste hierarchy
DCIO	District Cottage Industry Office
DFO	District Forest Office
DFCC	District Forest Coordination Committee
DSCO	District Soil Conservation Office
FECOFUN	Federation of Community Forestry Users Group
FNCCI	Federation of National Chamber of Commerce and Industry
HAN	Handmade Paper Association Nepal
HNCC	Herb and NTFP Coordination Council
HPPCL	Herb Processing and Production Company Limited
JABAN	Jadibuti Association Nepal
JAN	Jadibuti Association Nepal
LIP	Livelihoods Improvement Programme
MAP	Medicinal and Aromatic Plants
NACRMLP	Nepal Australia Community Resource Management and Livelihoods Project
NTRMC	National Training Resource Mobilisation Centre
OP	Operational Plan
SAN	Sawmill Association Nepal (Association of entrepreneurs of timber and timber products)
SBCIO	Small Business and Cottage Industry Office
WDO	Women's Development Office

Summary

For the last three decades, the Nepal Australia Community Resource Management and Livelihoods Project (NACRMLP) has been working in Kabhre Palanchok and Sindhu Palchok districts to develop community forestry. The 844 community forest user groups (CFUGs) in the Project districts control about 42,500 hectare of community forest land. About 72 percent of households in these districts are CFUG members. The Project is currently focusing on the sustainable management of community forest resources and on utilising forest products to generate income. It also aims to ensure the equitable benefit-sharing of resources among the disadvantaged groups (DAGs), Dalits, poor and marginalised people through the mechanism of Livelihood Improvement Planning (LIP).

To achieve sustainable business development requires that many services be provided. Analysing which services are critical and developing a mechanism for easy access to these services will promote the sustainability of businesses. Timber and non-timber forest products (NTFPs) like medicinal and aromatic plants, *lokta*, *lapsi* candy, and *sal* leaf plates are some of the resources that have been identified as having potential for CFUG business and enterprise development and thus to generate financial capital. This study was designed to undertake a detailed investigation of services and service providers and to develop a mechanism for ensuring that services are delivered in a sustainable manner. Necessary interventions such as the capacity building of service providers and users by providing technical training, market exposure and linkages, and business management skills have been planned in order to overcome observed bottlenecks.

The critical services identified by the study are technical know-how, marketing information and linkages, business planning, and improved timber harvesting systems (harvesting, sectioning, logging, transportation). The service providers of identified services at the local, district and central levels have been identified and their strengths and weaknesses analysed. On the basis of this analysis, we suggest a mechanism for the easy and timely delivery of services. Details about services, service providers, strengths and weaknesses analysis and proposed interventions are given in Annexes 1A, 1B, and 1C respectively.

The services required for the promotion of NTFP businesses have also been identified as have potential service providers. Lack of knowledge about legal aspects, how to identify different NTFPs, their utility and commercial value, marketing, marketing information, quality control, and processing is hindering CFUGs' ability to benefit from the NTFP business. Some of the most promising service providers have been identified and their institutional capability analysed. On this basis, we have proposed some interventions to overcome the existing constraints. Annexes 2A, 2B, and 2C provide details about the services required, service providers and contact persons for the promotion of NTFP businesses respectively.

1 Background

The greenery observed across Kabhrepalanchowk and Sindhupalanchok districts is testimony to the excellent work the Nepal Australia Community Resource Management and Livelihoods Project (NACRMLP) has done over the last three decades. In collaboration with District Forest Offices (DFOs) and District Soil Conservation Offices (DSCOs), the Project is pursuing its long-term goal of achieving sustainable community forest (CF) development.

Now in its last stage, the Project, in order to ensure the sustainability of its interventions, has turned its attention to second-generation CF issues, including good governance, social inclusion, equitable benefit-sharing among the marginalised, livelihoods improvement, utilisation of local resources for income generation, and sustainable forest management. One of its primary concerns is ensuring that there are alternative service providers to which people can turn when the Project has withdrawn. The Project's focus is on developing a mechanism for delivering services through local service providers, but if that is not possible then through district- or central-level service providers. To this end, the Project commissioned a study of forest-based enterprise-related service provision.

The research team first identified those services which are crucial for the establishment and promotion of timber and NTFP enterprises in Project areas. It included all sorts of services right from the very beginning of the production stage to the end market. Such a comprehensive approach will help in determining the existing constraints on the delivery of services. As the Project deals mainly with CFUGs, their unique needs, so different from those of private businesses, were kept in mind.

The team then prepared a list of existing and potential service providers at the local, district and central levels for each identified service. It analysed their various strengths and weaknesses in order to develop a clearer picture of the availability and sustainability of services and to determine the level of support and types of interventions service providers require in order to succeed. This report summarises the procedures, findings, and conclusions and recommendations of the study.

2 Objectives

The main objective of the study was to improve the sustainability of the services which promote timber and NTFP businesses in the Project areas by identifying those that are crucial right from production through to sale in markets.

The study had three primary purposes:

- To determine which services are required to promote timber and NTFP enterprises;
- To identify service providers and analyse their strengths and weakness; and
- To propose interventions for overcoming constraints and achieving smooth and sustainable service provision.

3 Methodology

The descriptive research technique of focus group discussions was used to collect information at the CFUG level and individual interviews were used to collect information at the service provider level. The study was carried out in four Project clusters: Janagal, Dhungkhark, Chautara and Dandapakhar. Checklists were prepared and administered to guide discussions and the informants' input was cross-checked with secondary sources. Micro and small enterprise development and marketing specialists (MSEDMs) and small business and credit specialists (SBCSs) who work for the Project collected the information.

In the first stage, Project staff conducted at least two discussions in each cluster, primarily with experienced CFUGs. The focus in Janagal and Chautara was on timber, while that in Dhungkhark and Dandapakhar was on NTFPs (Refer to Annex 3 for details about the CFUGs involved). In all discussions, first on the agenda was determining the existing status of forest-based businesses along with the associated opportunities and constraints. Then, after which services are crucial was agreed upon, potential providers were identified.

In the second stage, the research team visited each potential service provider identified to assess his status and linkage with Project CFUGs. During the course of the interviews, the team tried to ascertain the strengths and weaknesses of the providers and the interventions that would be required to upgrade their services and linkages.

The research was conducted from the second week in July to the second week in September in 2005.

3.1 Limitations

Since the study was carried out simultaneously with the regular tasks of the Project research team, it took time to process the information and prepare this report. In addition, the scope of the study was limited to timber and NTFPs, when, in fact, there are many other possibilities for local enterprises and thus many other needs for service providers. In the few cases where potential service providers could not be contacted, information already known to the Project was substituted. Information other than that related to business development, such as social information; has been filtered out.

3.2 Organisation of the report

The first of this report's two parts starts off by providing information on the background to the study and on its objectives and methodology. It then presents an overview of CF in Project districts and the main findings of the study. Recommendations round out Part 1.

In the second part, a detailed analysis of services for timber and NTFP businesses is presented in matrix form. This is followed by an analysis of service providers and a discussion of possible interventions for overcoming constraints. A list of potential buyers of timber, NTFPs, *sai* leaf plates and *lapsi* candy ends the section.

3.3 Overview of CF in Project districts

There are 844 CFUGs in Project districts and about 72% of all households (HH) are members (see Tables 1 and 2). Community forests provide timber, fodder, forage, firewood, NTFPs, and other benefits to users, while CFUGs, in addition to managing forests, help communities operate schools, construct rural roads, and manage irrigation systems, among other activities. CF and CFUGS are, therefore, intimately integrates with the livelihoods of people.

Table 1: Status of CF in Project Districts in 2005

Description	Kabhre	Sindhu	Total
Total area (ha)	140,486	248,096	388,582
Forest area (ha)	77,552	126,543	204,095
Total forest plantation area (ha)	10,700	12,704	23,404
Total community forest area (ha)	18,513	23,995	42,508
CFUGs (no.)	415	429	844

Source: 2001 Census report, DFO reports

Table 2: CFUGs and HH members in the clusters and other areas of Project districts in 2005

District	Area	CFUGs (no.)	HH members (no.)	HH members (%)
Kavre	Project clusters	140	3,998	
	Other areas	275	33,092	
	Total	415	37,090	62.3
Sindhu	Project clusters	125	4,494	
	Other areas	304	45,178	
	Total	429	49,672	82.17
All Project districts	Project clusters	265	8,492	
	Other areas	579	78,270	
	Total	844	86,762	72.33

Source: DFO records

There is enormous potential for the development of forest-based enterprises in the Project districts, but little has been realised. This is due in part to the protection-oriented outlook of CFUGs and in part to their lack of knowledge about how to utilise forest resources to generate income. Timber and NTFPs are two major resources found in community forests that could be exploited to generate capital, employment and income for CFUG members.

This study identifies the services that are required in order to develop timber and NTFP businesses. It also specifies service providers at the local, district, and central levels that could play a crucial role in delivering those services and thus in ensuring the stability of business development. It analyses their weaknesses in detail so that any existing constraints to success can be overcome.

4 Findings

4.1 The CFUG timber business

Privately owned and CFUG businesses are fundamentally different. A privately owned business has more flexibility, freedom and space for correction than does a CFUG business, which is governed by rules and regulations and has limited flexibility. A CFUG business also generates less strong feelings of ownership and decision-making capacity than does a private business. As a result, the services each requires are unique. The major findings about the CFUG timber business, as revealed through focus discussion with seven CFUGs in Janagal and Chautara clusters and interviews with the potential service providers they identified, are presented below:

Inadequate technical knowledge about forest management, particularly about thinning regimes, is one of the biggest constraints CFUGs face. CFUGs also lack the information about how to domesticate forest products, especially in terms of where to get planting materials and which buyers buy back the products. There are a few private nurseries which can provide saplings such as *lapsi* (*Choerospondias axillaries*), *patle tt* (*Pinus patula*), and *uttis* (*Alnus nepalensis*) and technical advice as an embedded services. Government nurseries can also provide saplings of a few species and technical advice.

Most CFUGs need more information about the usefulness of various timber species and about sustainable, market-oriented harvesting practices. Many CFUGs, for example, pay no heed to the market demand for logs at least six feet long and cut logs up into short pieces to make it easier to transport them to road heads. CFUGs are largely unaware of the demands and interests of buyers, including information about who buys logs and who buys sawn timber, who offers how much for what size, who does short-term buying and who will enter into long-term contracts under what terms and conditions. Providing this sort of information is seen as a crucial intervention; potential service providers and proposed activities are found in Annexes 1A and 1B.

Not only do CFUGs not know about potential buyers and their demands, but buyers do not know that timber is available from CFUGs in Project districts. What is needed is a mechanism to facilitate the two-way flow of information; CFUGs networks could collect information at the CFUG level and CCI and sawmill associations could disseminate it in the market among buyers. Once they are formed, DFCC subcommittees should support this process.

The lack of market linkages and networks has hampered CFUG efforts in the timber business. Potential service providers that can contribute in this area and the major interventions that need to be carried out are presented in Annex 1B and the names of potential buyers of timber are presented in Annex 1C.

CFUGs do not have enough technical knowledge about tree marking, felling, sectioning, grading, quality control, or OP provisioning, but rangers, DFO staff and Project-trained facilitators could be motivated to fill in the gaps. To reduce the cost of production, the most crucial factor is reducing the cost of transportation from forest to road head.

Knowledge about and skill in entrepreneurship development and business planning is essential, but CFUGs lack both. Annexes 1A and 1B list potential service providers and suggest the key interventions needed to overcome these hurdles.

The performances of two Project-supported, community-managed sawmills are not satisfactory: Shreechhap sawmill in Chautara is no longer running and Chaubas sawmill is operating far below its capacity. The failures can be attributed to poor management skill and to the absence of a sense of ownership. Frequent changes in the management and the employment of managers ignorant of businesses practices are other problems that were cited, as were a lack of transparency in financial records and lengthy decision-making processes. The CFUGs involved require more skills in and other options for saw mill management. Orientation and training provided by DFOs, the CCI or SBCIOs could mitigate this constraint.

In general, very few CFUG members are interested in CFUG-operated businesses. There are two main reasons for their apathy:

- First, they do not benefit directly from what a CFUG earns; and
- Second, most know too little about the management aspects to make businesses succeed.

To counter this obstacle, the Project has introduced the mechanism of CFUG and private business partnerships for the management of businesses and developed a mechanism for equitable benefit-sharing--the Livelihood Improvement Plan (LIP), through which members reinvest funds generated from CFUG businesses. To facilitate LIP implementation, the Project, in coordination with DFO offices, has provided CFUGs with training in management and account keeping.

4.2 NTFP businesses

The major findings about NTFP businesses, as revealed through focus group discussions with CFUGs in Dhunghark and Dandapakhar clusters and interviews with the potential service providers they identified, are presented below:

NTFPs are among the most important resources of the community forests in Dhunghark and Dandapakhar clusters. The most common species are *dhasingare* (wintergreen), *nag beli* powder (gun powder), *argeli* (*Edgeworthia garderni*), *lokta* (*Daphne bholua*), *jhyau* (lichen), *chutro* (*Berberis*), *pakhanved* (*Bergenia ciliata*), *sugandhwal* (*Valeriana*), *chiraito* (*Swertia chiraita*), *majitho* (*Rubia cordifolia*), *bisphej* (polypodium), *loth salla* (*Taxus baccata*), *jiwanti* (coelogyne). CFUGs have not, however, been able to start up group NTFP businesses although individual CFUG members and other people of the community do collect NTFPs from community forests and sell them to local traders. The DFOs of both Project districts have inventoried five major NTFPs (*argeli*, *lokta*, *allo*, *dhasingare* and *chiraito*) and aim to help CFUGs integrate NTFP business plans (BPs) into their operational plans (OPs).

The Project helped CFUGs in Dhunghark to establish NTFPs collection points and a mechanism for NTFP collection and sale. Collectors and local traders have been identified. Collectors need more knowledge about NTFP identification, utility, market

value, traders, and NTFP-related laws, while local traders need more exposure to and information about marketing. Refer to Annexes 2A, 2B, and 2C respectively for details about service, service providers and potential buyers who help promote NTFP businesses in Project districts.

CFUGs need more information about the potential for domesticating NTFPs, specifically about technical aspects and about sources of planting materials. DFO staff, rangers, and local resource persons can provide support at the local level. Dabur Nepal is one company that can provide NTFP saplings (mainly *chiraito*, *loth salla*, *argeli*) along with appropriate technology for their domestication.

While knowledge about potential buyers and the establishment of marketing linkages are crucial for the promotion of the NTFP business, the present level of market networking is very poor and CFUGs and local traders are linked with very few buyers. CFUG networks, HPPCL, the CCI, other NTFP projects, local resource persons, local traders, and village- and district-level FECOFUN can help improve the situation. The strengths and weaknesses of each potential provider are presented in Annex 2B.

Promoting both the sustainable harvest of NTFPs and the inclusion of NTFP business plans in OPs is another service required. DFO staff, rangers and local OP facilitators are some potential service providers.

There is a need to develop a mechanism to ensure the flow of information from markets to CFUGs and vice versa. Potential service providers at the central level include HPPCL, AEC, HNCC, NTFPs exporters and JABAN, while those at the district level include DFOs, the CCI, NTFP traders, NTFP networks and SBCIO. Annex 2A presents interventions needed to improve the provision of marketing services and Annex 2B identifies the strengths and weaknesses of service provision.

Since the price of NTFPs is determined in part by their quality, NTFP collectors need to learn much more about storing, grading, cleaning, and semi-processing. Local resource persons trained in NTFP post-harvest activities and private organisations like Blue Bell Herbs Private Limited and Dabur Nepal Pvt. Limited can provide services in these areas. NTFPs products like *sal* leaf plates, *lapsi* candy, *lokta* paper, and wintergreen oil need greater quality control as well. Local resource persons trained in these aspects and private entrepreneurs can help CFUGs with improvements. The interventions required are presented in Annex 2A.

Lapsi candy and *lapsi mada* (*lapsi* pulp concentrate) are two products with potential in the Chaubas area, but there need to be improvements in quality control, grading and packaging. Such techniques and skills can be delivered to CFUGs through private entrepreneurs in Sanga, Kabhre. *Lokta* paper is an enterprise with potential in Budhakhani, Kavre District, but much support, in the form of sustainable *lokta* harvesting skills, domestication, operation of beater machines and *lokta* paper preparation training, marketing information and market linkages, is essential. (Refer to Annex 3 for details about services and service providers for the *lokta* paper business).

Knowledge of the legal provisions governing various NTFPs is crucial if a business is to succeed. CFUGs can be informed by local traders, DFO staff, FECOFUN, SBCIO, product-based associations and buyers in distant markets. The interventions required for providing legal advice about NTFP business promotion are presented in Annex 2A. If the private sector or a sub-group of CFUGs require credit then a loan can be provided through a local co-operative, the ADB or SBCIOs.

4.3 Conclusions and recommendations

The findings of the study indicate that there is enormous potential for developing forest-based businesses, especially in timber and NTFPs, in the Project districts.

CFUGs interested in the timber business need more information about forest management, including thinning regimes and sectioning, improved harvesting techniques, plantation and planting materials, and OP revision. DFO staff, rangers, and local resource persons can be motivated to meet these needs, as can local NGOs and forest-related projects. Private nursery owners and local traders should also be motivated to provide embedded services. The introduction of improved log hauling equipment and techniques can help CFUGs increase their profit margins. Shakya Engineering Works, which has developed a simple system for log transport can help if the scale of log harvesting is increased by following thinning guidelines.

Promoting timber production will also require making harvesting more market-oriented and improving transportation to markets as well as improving the flow of marketing information, including that about potential buyers and their interests and purchasing rates. DFOs, range posts, the CCI, SBCIOs, SAN, local traders, and CFUG networks can help set up a mechanism to facilitate communication between CFUGs and buyers and between buyers and traders. CFUG networks should be motivated to collect information about CFUGs and transmit it to buyers through the CCI and SAN in a forward linkage; a similar backward linkage can also be established. To improve market linkages and networking, the services of the CCI, CFUG networks, SAN and DFOs can be co-opted. CCI and DFOs should be motivated to organise interactions between buyers and CFUGs. This process can be linked with the DFCC programme once it is established.

CFUGs also need to improve their skills in entrepreneurship development and business planning and management. Project-trained local resource persons, NTRMC and other projects working in similar fields should be motivated to provide service. Focus should be given to developing linkages between these institutions and CFUGs.

To promote the NTFP business, CFUGs need to be more knowledgeable about the identification, utility, commercial value, and domestication of NTFPs and about how to make provisions for NTFP businesses in OPs. They also need to gain skill in entrepreneurship and business planning and to build their knowledge about marketing, market linkages, and NTFP processing. DFOs, AECs, the CCI, local resource persons, projects working at the local level, local training centres, HPPCL, HNCC, product-based associations like JABAN, and local traders are some of the potential service providers for NTFP business development. In addition, to facilitate the flow of information from CFUGs to traders and traders to CFUGs, the services of AECs, the CCI, FECOFUN and CFUG networks should be exploited. This can be done by developing a mechanism of receiving information from AECs and disseminating it to CFUGs and local collectors via the CCI or FECOFUN.

Annex 1A

August 2005 Assessment of Critical Services Required for Promotion of Log Business in Project Districts

Annex 1A: August 2005 Assessment of Critical Services Required for Promotion of Log Business in Project Districts

Service required	Major constraints observed	Potential local service providers	Supporting organisations	Possible services that can be provided	Possible interventions	Proposed timing of interventions
Technical know-how about forest management	CFUGs know little about such practices and are not willing to cut down trees	Local resource persons, leader farmers	Range posts, DFOs, forest-related projects	Make CFUGs aware of forest management techniques, including thinning regimes	Training, orientations, and visits	As and when required from place to place
Saplings	Sapling are not available on time, and CFUGs do not know suppliers	Private and government nurseries	DFOs, forest-related projects	Provide training in nursery techniques, disseminate information about suppliers of saplings	Training, interactions and visits	As and when required
Improved log hauling system (skills and equipment)	Still using traditional methods for log transportation and loading and unloading		Shakya Engineering Works, Bhaktapur and other engineering companies; buyers of big logs	Facilitating them making linkages and interaction for such techniques	Training, Introduction of technology on trial basis	Feb-March 2006
Knowledge about the utility of and market demand for timber (quality, species, volume and size of logs)	Knowledge about the use of timber of different species is limited, as is knowledge about how to adjust harvests to meet demand	Range posts, local timber traders, local saw mills, local furniture, key CFUG members, Kathmandu buyers	DFOs, NSA, furniture sellers, big buyers in Kathmandu, CCI	Teach CFUGs about types of timber and their uses; develop a log-pricing mechanism; groom facilitators by providing training; use the comparative market study approach	Orientations on timber and timber marketing; study visits; training facilitators in timber marketing on a cluster-wise basis; develop a mechanism to ensure the flow of information	August to October 2005
Market-oriented and scientific harvesting practices	Not aware of improved harvesting techniques; annual harvests very small compared to OP provisions; harvesting unrelated to market demand;	Range posts, project-trained local resource persons, local saw mills, local furniture, CFUGs	DFOs, traders, SAN	Demonstrate improved harvesting and sectioning systems; integrate BPs in OPs; establish comparative benefit through market surveys; focus on forward contract system for log sales	Training in improved harvesting systems and logging, Training in business planning; orientation to marketing options and long-term contracts;	August to December 2005
Marketing Information	Inadequate marketing knowledge (buyers, prices, quality, transporters), legal and technical knowledge about auctioning	CFUG network, range posts, and local traders	DFO, SBCIO, CCI, DFCC sub-committees, FNCCI, AEC, SAN	Develop a suitable mechanism for exchange of marketing information from CFUGs to buyers and the reverse	Discussions, orientation, motivation, visits, development of a marketing information system (CCI or DFCC or SAN)	October to November 2005

Service required	Major constraints observed	Potential local service providers	Supporting organisations	Possible services that can be provided	Possible interventions	Proposed timing of interventions
Marketing linkage	Inadequate marketing linkages, lack of knowledge about big buyers in Kathmandu and other places	CFUG networks, forest range posts, and local traders	DFO, SBCIO, CCI, DFCC sub-committees, FNCCI, AECs, SAN	Study visits, interactions, introduction of group and collective marketing approach	Study visits, interactions, development of mechanism for collective marketing, training on different modes of business and their advantages and disadvantages	September to November 2005
Proper knowledge of marking, felling, sectioning, grading, transportation, quality control, and OP preparation	Inadequate knowledge of these factors; price variations due to fluctuations in quality	Range posts, CFUG, transporters	DFOs, Project-trained facilitators, TEA	Improve the CFUGs log sale business through improved post-harvesting activities; establish links with TEA	Orientation, training and linkages; making a contract for log transportation on the behalf of CFUG network	October to November 2005; as and when required for transportation
BP preparation and entrepreneurship development skills,	Most CFUGs have little knowledge about BP and entrepreneurship development; lack of business provisions in CFUG OPs	Village FECOFUN, NTRMC, Project-trained facilitators, VDCs, WDOs	CCI, SBCIO, District FECOFUN, NTRMC	establish and promote CFUGs timber business through business planning and entrepreneurship skills	Training modules in business planning, business promotion skills, and integration of BP and LIP in OP	August to September 2005
Saw mill management skills, machine repair and maintenance skills	Inadequate knowledge about different options for saw mill management; lack of leadership skills; ack of skilled manpower for sawmill operation at Shree Chhap	Local technicians, skilled manpower from outside	SBCIOs, CCI, DFO, SAN	Improve skills in sawmill operation and maintenance; discuss options for sawmill management aimed at sustainable operation of saw mills	Training in saw mill operations and maintenance; orientation to different options for sawmill management, meetings	September to October 2005

Source: Focus group discussions with CFUGs in various clusters

Annex 1B

August 2005 Assessment of Strengths and Weaknesses of Service Providers for Log Business Promotion

Annex 1B: August 2005 Assessment of Strengths and Weaknesses of Service Providers for Log Business Promotion

Potential service Provider	Strengths	Weaknesses	So What?	Proposed interventions	Proposed timing of intervention
DFOs and range posts	Have legal authority for CF, technical skill and good knowledge about timber, timber marketing and sawmills; Can support in legal aspects; Can provide service throughout districts through eight range posts	Inadequate support for marketing promotion part; focus mainly on forest management, limited budgets and manpower	Support in Sustainable Forest management ; Support CFUGs in the timber business for livelihoods of the people	Provide training to DFO staff in LIP and business plan preparation; support DFOs in organising a market promotion programme, technical skills for promotion of potential forest based enterprises	August to September 2005
Small Business and cottage Industry Office (SBCIO)	Do have authority of industry registration, Do have records of enterprises, could support CFUGs in linking with timber-based enterprises and buyers; Can organise potential technical training as and when required	Records of enterprises not regularly updated; information on forest products is not detailed; Inadequate funds to conduct training; limited staff	Update market-related information and ensure a flow between CFUGs and market; organise training in collaboration with DCIO and other local stakeholders for enterprise development	Organise meeting; conduct needs assessment; analyse situation (match resources) prepare and implement programme	September 2005
Local traders in logs and sawn timber	Have knowledge about potential buyers in distant market and about timber marketing (price, quality, size); buy timber from CFUGs; can operate business independently	Believe that providing market information will reduce their profit margin and increase competition	Focus on developing direct marketing linkages with buyers in distant market; where CFUGs can not establish direct linkages with distant markets, promote local trading practices by establishing a flow of marketing information	Establish marketing linkages with potential buyers, and develop mechanism to ensure marketing information flow and networking	July to November 2005
DFCC subcommittees	Consists of all service providers; could be used as a focal point for the promotion of forest-product business	Is not yet formed	Support DFOs and other in stakeholders in developing BDS sub committees; orient potential stakeholders to the BDS approach	Meetings, trainings, and workshops	August to September 2005
SAN	Can provide support in lobbying, business promotion, marketing information, and nationwide network	No direct mechanism to provide service at the field level	Link CFUGs with associations	Study visits, interaction workshops, development of coordination mechanism	August to September 2005
Other forestry projects, including Livelihood Forestry Project and BDS MaPs	Have good knowledge about marketing timber, herbs and NTFPs	No direct linkage with Project CFUGs, limited working area	Can be used their technical capabilities in NACRMLP programme as resource persons and can be linked for market chain development	Interactions & and visits	As and when required

Potential service Provider	Strengths	Weaknesses	So What?	Proposed interventions	Proposed timing of intervention
FNCCI/AEC	Capable of providing market-related information and building marketing linkages	No direct relation to NACRMLP or field level	linkages to be developed for marketing information with CFUGs	Interactions and workshops	As and when required
Shakya Engineering Works, Pvt LTd, Bhaktapur	Have ability in supporting technology for log transporting equipments; produces different equipments required for saw milling business	No direct linkage with the CFUGs; Limited manpower	Facilitate CFUGs about the technology of improved log hauling systems and requirements for that system	Interaction between CFUG and the service provider; if possible introduce a system as demonstration	Jan Feb 2006
Transport Entrepreneurs association, kabhre	Have ability to transport logs and can support in transportation of logs in a convenient way	No direct linkage with CFUGs, no regular transportation services from forest road head	Motivate CFUG and CFUG networks to have interaction for log transportation on contract basis	Interactions; fix terms and conditions	As and when required
FECOFUN (village, district and central levels)	Can support in policy advocacy and legal advocacy in NTFP and log sale marketing; can be used for flow of marketing information & establishing marketing linkages	No direct work in marketing promotion activities (marketing information, linkages)	Motivate FECOFUN to incorporate business promotion programme in their strategic plan, Motivate them to work for marketing information systems	Support in developing a mechanism for marketing information system, Provide training in business management and business promotion skills	Will be included in NACRMLP training programme
CCIs	Can provide support in marketing information and networking and in policy lobbying, Do have representation in DFCC	No direct linkage with CFUGs; limited manpower, do not have networks at local level	Motivate them build linkages with CFUGs, Motivate them for organise interaction workshops for marketing linkages	Interactions and registrations	
Potential buyers in distant markets (refer to list)	Are willing to buy logs and sawn timber from CFUGs; Some buyers are willing to make agreements in advance for business	No direct linkages with project CFUGs; require skilled input (to make export- quality furniture and pine plywood)	marketing linkages, give orientation to CFUGs about uses of pine wood, provide knowledge to entrepreneurship skill development	Study visits, interactions, entrepreneurship development, and business plan preparation training	August to October 2005

Annex 1C

List of Potential Buyers of Logs and Sawn Timber (Sep 2005)

Annex 1C: List of Potential Buyers of Logs and Sawn Timber (Sep 2005)

S.N.	Name of Sawmill	Address	Contact persons and Phone Numbers	Interest
1	Bira Furniture Industries	Patan Industrial Area, Patan Lagankhel	Padam Bahadur Shrestha 981024164/5522253	Round logs
2	Bhairab Kastha Udhog	Lagankhel, Patan	Jitendra 981040856	Round logs
3	Pashupati Sawmill and Furniture Industries	Thapathali, Maitighar, Kathmandu	Dipendra Mishra/Mahendra Mishra 4226636	Sawn timber
4	Guheswori Kastha Udhog	Ring Road, Maharajgunj	Madhav Raj Upreti 4370908	
5	Buddha Furniture Industries	Jawalakhel	Sasntosh Bikram Shah 4411431	
6	Upreti Sawmill	Baneswor, Kathmandu	Harihar Upreti/ Bhagawan Upreti	
7	Mainali Sawmill	Ring road Mharajgunj Kathmandu	Kamal Mainali 4432363/4418338	
8	Kalika Kastha Depot	Ring Road, Maharajgunj		
9	Chandra Binayak Kastha, Udhog	KTM	4421468/ 4421639	
10	Chacha Kastha Udhog	Kamalpokhari, Kathmandu	4422180	
11	Surya Chandra Furnitures	Banepa	Dharma Manandhar 011661331	Logs and sawn timber
12	Dolakhali Kastha Udhog	Sinamangal, KTM	Bala Krishna Siwakoti 4483136/4495553/ 4222287	
13	Divya Sawmill	Tikune, Kathmandu	4474610	
14	Ganesh Furniture	Lubhu		
15	Shree Mahankali Kastha Udhog	Kalanki Mandir, KTM	Hari Devkota 4286858	
16	Shree Krishna Kastha Suppliers	Kalimati, Kathmandu	Krishna Lal Shrestha 4277472(Shop)/4427620(Res)	
17	Jaya Guru Biswakarma Sawmill	Sitapaila, Kathmandu	Gautam Manandhar 4273759(Mill)/4272841	
18	Shree Krishna Mill	Kalimati, Kathmandu	4270515/4272773	
19	Chandeswori Kastha Udhog	Basundhara, Chakrapath	Niran Bhomi/9810-63760 4356972/4377224	
20	Mainali Sawmill and Furniture Industry	Ring Road, Maharajgunj	Kamal Mainali 4432363/4418338	Round Logs
21	CB Kastha Udhog	Chabahil, Kathmandu	Rajiv Sharma 4474010, 2408949(Res)	
22	Guheswori Kastha Udhog	Balkumari, Kathmandu	5520426	Round Logs
23	Sawmill Association	Kalanki Mandir, Kalanki, KTM	4281172	Round logs
24	Alternative Furniture	Bansbari KTM	Tashi Lama 4371789 (F) 4373761 (R)	Sawn timber
25	Shikhar Ply wood Industries	Banepa	Nava Ratan Chindliya 011661446 (F)	Round logs

Annex 2A

August 2005 Assessment of Services Required for the Promotion of NTFP Business in Project Districts

Annex 2A: August 2005 Assessment of Services Required for the Promotion of NTFP Business in Project Districts

Service required	Major constraints observed	Potential local service providers	Supporting organisations	So what?	Proposed intervention	Proposed timing of intervention
Technical knowledge: to identify various NTFPs along with idea about their utility and commercial value	Most collectors do have little knowledge about utility and commercial value	Local resource persons trained in NTFPs, key informants, and local traders	DFOs, HPPCL, BDS, and MaPs	Provide knowledge to local collectors and CFUGs executive members	Training for collectors	December 2005 to January 2006
Technical knowledge: about the domestication of herbs and medicinal plants, including <i>lokta</i> , <i>chiraito</i> , <i>cardamom</i> , <i>argeli</i> , and <i>Louth salla</i> Supply of planting materials	Farmers' knowledge of domestication is inadequate	Local resource persons and leader farmers	DFOs, Dabur Nepal, other NTFP projects, and Gorkha Ayurved	Provide linkages between service providers and local farmers	Interactions and observation visits	As and when required
Provision of information about marketing, including potential buyers, market prices, government rules and regulations for different NTFPs and transport	CFUGs are not well informed about any aspect of marketing and cannot predict NTFP production levels	SBCIOs, NTFP networks, local traders, DFCC subcommittees	HPPCL, FNCCI/AEC, JABAN, Herbs and NTFP coordination committees, DFCC subcommittees, and CCI	Develop a mechanism to ensure a flow of information from CFUGs to markets and back and provide access to marketing information	Interaction between CFUGs and service providers to develop a mechanism; observation visits; interaction between CFUGs and traders	December 2005 to January 2006
Marketing linkages	Linkages between buyers and CFUGs, CFUG networks, and local traders are inadequate	CFUG networks	DFOs, HPPCL, other NTFP projects, CCI, DFCC subcommittees, AEC, FECOFUN, buyers, product-specific organisations	Provide marketing linkages to CFUGs, local traders, CFUGs networks for NTFP business promotion	Market interaction programme; networking	November 2005 to February 2006
Sustainable NTFP harvesting skills and provision for NTFP businesses in CFUGs' OP	Possibility of extinction of some of species due to over harvesting, not aware of legal provisions of NTFPs business	Local resource persons trained in NTFPs, Village FECOFUN, local traders	DFOs, range posts, other NTFPs projects	Make aware local OP facilitators and CFUGs executive members about NTFPs business and sustainable harvesting practices	Training in sustainable harvesting ; Workshops for inclusion of specific NTFP business in OPs	December 2005

Service required	Major constraints observed	Potential local service providers	Supporting organisations	So what?	Proposed intervention	Proposed timing of intervention
Post-harvest handling skills, (<i>storage, grading, cleaning, semi-processing, packaging and labelling</i>)	Inadequate knowledge of post-harvest treatment of NTFPs	Local resource persons trained in NTFPs post-harvest activities	Blue Bell Enterprise, Bhaktapur; HPPCL; Dabur Nepal	Provide knowledge about post-harvest NTFP activities	Orientation and training in Dhungkhark and Dandapakhar	December 2005 to January 2006
Practices to ensure quality control in NTFP products like <i>lokta paper, cardamom, wintergreen oil and sal leaf plates</i>	CFUGs are not very aware of the need for quality control and do not have skills to ensure quality	Local resource persons trained in quality control aspects, private entrepreneurs	DFO, SBCIO, HPPCL, Handmade Paper Association Nepal, buyers in Kathmandu	Formal and Informal discussions; observation visits	Orientation by buyers when they give orders, visits, interactions, and training	As and when required for each product
Legal advisory service	CFUGs know little about the legal aspects of NTFP trade, current policy, and practices	Local resource persons, key informants, local traders	DFOs, District FECOFUN, HNCC	Provide knowledge to CFUGs, CFUG network, and local traders about legal provisions related to NTFPs	Orientation, training, and interactions	As and when required during different training sessions and visits

Source: Focus group discussions with CFUGs in different clusters

Annex 2B

August 2005 Assessment of Constraints and Strengths of Potential Service - Providers for Marketing Promotion of Log Business

Annex 2B: August 2005 Assessment of Constraints and Strengths of Potential Service - Providers for Marketing Promotion of Log Business

Potential service provider	Strengths	Weaknesses	So What?	Proposed interventions	Proposed timing of intervention
DFOs, range posts	Have fairly good knowledge about the identity, utility, market fro and legal provisions related to herbs and NTFPs; can play a supportive role in collecting and disseminating market information	Mainly focused on forest management rather than utilisation part, lacking in marketing support part, inadequate business plan preparation skills	Motivate DFO staff to provide service focusing on sustainable harvesting and marketing aspects, support in upgrading knowledge of DFO staff in NTFPs business and NTFP marketing	Interactions, Discussion, training on NTFPs business management, NTFP trade fair	As and where required
SBCIOs	Do have information about NTFP entrepreneurs, can provide training in NTFP product development, Can play a good role for establishing marketing linkage and marketing information, Can support in industry registration	Not able to collect all NTFPs traders within district, Detail information of forest based products not available, Inadequate funds for conducting training and programme. lack of business planning skills	Motivate SBCIO to update and flow market information to CFUGs, Motivate in organising training in collaboration with DFO and projects, support in capacity building of SBCIO staff especially in business planning	Interactions, training to SBCIO staff in business planning and entrepreneurship development	December 2005
Local NTFP traders	Willing to work for NTFP business promotion, Can be a focal point for providing information, can be convinced to flow market price to CFUGs collectors	They think that providing marketing information will reduce their profit margin, some time they don't find buyers	Motivate them to do business with NTFPs network and CFUGs	Support them to establish marketing marketing linkage with other buyers and developing a mechanism of flow of marketing information	January 2006
DFCC subcommittees	Consists of all service providers and can work a focal point for business promotion of forest based business	It is still on the process of formation, Uncertainty of funds for support activities	Support in the formation of DFCC BDS committee	Support in the conceptualisation of DFCC BDS sub committee	September 2005
JABAN	Do have good knowledge about NTFPs and NTFPs marketing	This organisation is based at Nepalgunj so it is not very suitable to project districts	Establish and maintain linkage and use whenever big issues comes		
Other forestry projects (Livelihood Forestry Project, BDS MaPs etc)	Do have good knowledge about NTFPs and NTFPs marketing, and support in developing marketing linkage with entrepreneurs of other district	They are not directly linked with CFUGs of project districts	Make an access to CFUGs/CFUGs networks/ entrepreneurs to get linked with potential service providers of other districts	Visits, Interaction	Whenever required
FNCCI and AECs	Have been engaged in the marketing information of NTFPs and have ability to provide market price information to CFUGs through district CCIs	AEC is not direct linked with CFUGs/CFUGs network of project districts	Support CFUGs/CFUGs network to establish linkage with AEC through CCI	Develop a mechanism of information collection and dissemination	By the end of February 2006

Potential service provider	Strengths	Weaknesses	So What?	Proposed interventions	Proposed timing of intervention
FECOFUN	Have a good network of CFUGs for lobbying and policy formation; can support CFUGs through legal advice	Have done little work in NTFP marketing support	Motivate CFUG networks to work in NTFP marketing promotion activities	Motivate them to organise NTFPs business promotion training in partnership with project, DFO and other SPs	Whenever required (before the end of January 2006)
CCI	Can provide support in acquiring market information and establishing market linkages	No direct linkage with CFUGs of Project districts	Motivate and support the development of a mechanism	Discussions for developing a mechanism for collecting market information	Before February 2006
Dabur Nepal and private nurseries	Have the capacity to domesticate NTFPs like <i>chiraito</i> and <i>Loth salla</i> ; can also support by guaranteeing to buy domesticated products; can support grading NTFPs	Works with limited NTFPs; no direct linkage with CFUGs of Project districts	Promote interaction between Dabur Nepal and CFUGs for possible domestication of NTFPs, support in grading of NTFPs, and planting materials	Interactions and visits	As and when required
Gorkha Ayurved Company	Willing to buy eight species of NTFPs from CFUGs and CFUGs networks	No direct linkage to CFUGs of Project districts	Establish linkages	Interactions and visits	As and when required
HPPCL	Can provide technical knowledge about NTFPs and NTFP processing especially on essential oils; will buy all types of oils	No direct linkage to CFUGs of Project districts	Establish linkages	Interactions and visits	As and when required
NTFP networks and c-operatives	Can be a good forum for NTFP collection, sale, processing and marketing	Lack of technical skills and information, inadequate funds, poor marketing linkages	Support in capacity building of NTFP networks and cooperatives	Training, visits, interactions, and enterprise development support	As and when required
Local Facilitators, local resource persons	Can be used as facilitators in training, OP revisions, key farmers & business plan preparation	Uncertainty of their availability; in adequate knowledge	Capacity building of local resource persons	Training, orientation and visits	As and when required
Blue Bell Herbs Pvt Ltd, Bhaktapur	Can support in grading and packaging NTFPs, Willing to buy NTFPs (MoA) from project area	No direct linkages with CFUGs of Project districts	Make linkage between CFUGs and the company; share information and technology	Interactions	As and when required
Private nurseries	Can supply saplings and seeds; can provide technical services as an embedded service	Lack capacity to meet the demand of all CFUGs and private entrepreneurs		Capacity building through training; establishment of linkages with CFUGs	As and when required
Potential buyers of NTFPs (refer to list)					

Annex 2C

List of Contact Persons and Service Providers for NTFPs Businesses

Annex 2C: List of Contact Persons and Service Providers for NTFPs Businesses

S. No.	Name and Address of Contact	Name and Address of Company	Designation	Contact No.	Area of interest/Commodities
1	Risi Raj Regmi sdvkvs@ntc.net.np	Sinha Durbar Baidhya Khana Bikas Samittee, Anamnagar, Kathmandu	Messenger	01-4770174, 01-4770660, Fax. no. 977-01-4770781	Manufacturer of Ayurvedic medicine and buyer and supplier of 350 species
2	Govinda Pd. Ghimireahi @infoclub.com.np	Alternative Herbal Products (P) Ltd., Kathmandu	Managing Director	P.O. Box 4555, 01-6632942, 977-01-4476613 ®	Producer of herbal teas
3	agroaec@mos.com.np	Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Agro Enterprise Center (AEC), Teku, Kathmandu		P.O. Box 7651, 01-4262245, 01-4262260, 01-4267005, Fax: 977-01-4261671	Policy advocacy and trade and business promotion service
4	Easy Multi trade International P. Ltd., Dhobidhara-33, Putatalisadak, Kathmandu	admin@emi.com.np		01-4446474, 014446475, Fax. No. 977-01-4352717	Income generation and employment opportunities
5	Rajesh Kumar Adkiya/info@nepalherbs.org	Nepal Herbs and Herbal Products Association (NEHHPA), Fourth floor of Radha Bhawan, Tirpuraswor, Kathmandu	President	01-4264428, Fax. No. 977-01-4264833, G.P.O. Box 745,	Establishment of sustainable channels of trade
6	Giridhar Amatya	IUCN, Bakhundol, Lalitpur, Nepal	NTFP sector Director		Support in protecting and cultivating NTFPs <i>Timur, rittha, pakhanbed, satawari, sugandhawal, harro, barro, bojho, tejpat, dalchini, chutro, and kaula</i>
7	Govinda P. Ghimire/info@nepalherbs.org	Nepal Herbs And Herbal Products Association, Fourth floor, Radha Bhawan, Tripureshwor, Kathmandu, Nepal	Secretary	0977-01-4264428, Fax. No. 0977-01-4264833, Web: www.nepalherbs.org	Promotion of herbal products
8	Beni Gopal Mundara/mundara@wlink.com.np/debenara@ecomail.com.np/debenara@nns.com.np	DEBENARA, Kasturi Agro Industries Pvt.Ltd. Nepal, 18, Pandit Meghraj Marg, Biratnagar-9, Nepal./Laision office, Dhakhwa Bldg. Second floor, Dhama Path	Managing Director	PO. Box 245, Biratnagar-9, Nepal/P.O. Box 5611, Kathmandu, Nepal.	Business promotion
9	Dhruv R. Bhattarai/shi@ntc.net.np	Sidhartha Jadibuti Udyog, New Babeshwor, Santosh Marga-304, Kathmandu Nepal	Managing Director	977-01-4492174, 977-014490338	
10	dnpl@dabur.com.np	Dabur Nepal Pvt. Ltd. Dabur Nepal`s Herbal Nursery Project, Tinkune, Koteswor, Kathmandu, Nepal/Green House Project for Medicinal Plants, Banepa, Janagal, Kavre		00977-014478010, Fax 4478030	<i>Mentha, timur, sugandhawal, tejpat, eucalyptus, sugandhawal, stevia, Taxus, akarkara, timur, kutki, satawari, gol pipla, chiraita, padamchal</i>
11	Mr. Om Charan Shrestha	Blue Bell Herbs Pvt Ltd, Bhaktapur		011-6612998; 9841218201	Manufacturers of Ayurvedic soaps, shampoo and other products
12	Madhukar Thapa Chhetrijaban@wlink.com.np	Nepal Jadibuti Byaosahi Sangh/Jadibuti Association of Nepal (JABAN), New Road, Banke District	Secretary	00977-81-524884	NTFP Business promotion

S. No.	Name and Address of Contact	Name and Address of Company	Designation	Contact No.	Area of interest/Commodities
13	swarajindia@yahoo.com	Swaraj Herbal Pvt.Ltd., Faizabad Road, Barabansi-225001 (U.P.) India		91-5248-222792/222121 (o),	Promoter and supplier of essential oils and medicinal plants
14	Tek Bahadur Thapa Magar	Budhakhani Samudayik Ban Upavokta Samuha Sanjal (Budhakhani CFUG Network), Budhakhani-5, Kavre	CFUG Chairman, Koili Ban	011-663375	Lokta paper producer
15	Madan Chaudhary (DFO)/N.P. Yadav (LFP)	Jilla Ban Karyalaya, Dang-Jadibuti Focal Team, District Forest Office, Dang District/Livelihoods & Forestry Programme, MW Coordination Office Ghorai, Dang (LFP)	Ranger-DFO/ Technical Forest Adviser-LFP	0977-082-560032, 0977-082-560014,	Livelihoods of poor group through NTFPs Aduwa candy and <i>sarvat</i> , <i>beljam sarvat</i> , <i>seto musli</i> , <i>kalmegh</i> , <i>aswogandha</i> , <i>sarpagandha</i> , <i>harro</i> , <i>barro</i> , <i>amala</i> , <i>timur</i> , and <i>satawari</i>
16	jeevan_kunwar@msn.com	Gramin Arthik Bikas Sangh (REDA), Aduwa Pravardan Karyakram, Tansen, Bisalbazar		075-521610, 075-520403	Ginger cultivation and processing
17	info@essentialoil.com.np	Natural Resources Industries (P) Ltd., 1303 Devkota Sadak, Old Baneshwor, Kathmandu, Nepal		0977-9851030545, 0977-01-4461848, Fax 0977-01-4461948 GPO Box No. 410, website: www.essentialoil.com.np	Cultivation, processing and marketing of organic herbs and essential oils <i>Sugandhawal</i> , <i>calamus</i> , citronella, eucalyptus, <i>jatamansi</i> , juniper, rhododendron, wintergreen, zanthoxylum, and lemongrass
18	jainbahubali@wlink.com.np	Simki Trade Center, Gaharbari Tole, Nepalgunj-2, Nepal.		0977-81-520829, Fax 0977-81-521102	Processing and marketing of Himalayan morel, or <i>Morchella conica</i>
19	Pusparaj Belram and Setiram B.M.	Jilla Krisi Bikas Karyalaya, Gorahi, Dang	Messenger	082-560025, 082-560711, 08-850130	Livelihoods of farmers and promotion of NTFPs Ginger juice and candy, <i>timur</i> , <i>poder</i> , and <i>triphalla churna</i>
20	Tilak Shrestha and Kanchha Shrestha	Jadibuti Yewom Ban Paidawar Byawasthapan Sahakari Limited (NTFPs Cooperatives), Jethal VDC-7, Sindhupalchowk District	Secretary/ Local NTFP trader Mude area	011-663079, 9851013152, 9851005398	NTFP collectors (Argeli, Jhyau, Bishej, nagbeli powder, chiraito)
21	Dr. Rupendra Puri/ardsnepal@gmail.com	Ayurveda Research and Development Society - Nepal (ARDS-Nepal), Naradevi-18, Kathmandu, Nepal	President	0977-1-4466202, Fax 0977-1-4484217	Research and awareness raising
22	Parbat Gurung/hbtlp@wlink.com.np	Himalayan Bio Trade (P) Ltd., Kathmandu, Nepal.	Managing Director	977-1-4282025, 977-1-4412237, 9851055084, website: himalayanbiotrade.com	NTFP processing and trade (lokta paper, wintergreen oil, other MoA)
23	Anupa Maskey, Govinda Ghimire, and Rakesh Adukiya	Nepal Herbs and Herbal Product Association (NEHHA), Radha Bhawan, Tripureshwor, Kathmandu.	Programme Coordinator and Messengers	0977-01-264428	Producers of juice, essential oils and herbal tea using 26 species of NTFP
24	Ran Bahadur Rawal and Dinesh Kumar Batala	Unique Himalayan Herbs Pvt.Ltd., Ramhiti-6, Mahankal, Kathmandu	Coordinator and Messenger	01-4494514	Training in protection and cultivation of NTFPs and international trade, <i>Mentha</i> , <i>jatamansi</i> , <i>sugandhawal</i> , <i>dhasingare</i> , lemongrass, chamomile, juniper leaf, pamarosa, and citronella

S. No.	Name and Address of Contact	Name and Address of Company	Designation	Contact No.	Area of interest/Commodities
25	Gehendra Prasad Dhital	Shubha Laxmi Bahu Udesiya Sahakari Sanstha Pvt.Ltd., Bhrikutinagar-13, Nepalgunj, Banke	Messenger	081-524641, 081-524366	Production of Sangibani Tulsi Herbal Tea <i>Tulsi</i> , lemongrass, <i>pipla</i> , <i>tejpat</i> , and <i>jethimadhu</i>
26	Bisnu Prasad Paudel, Beni Gopal Bhundrada, and Deepak Bhundrada	Kasturi Agro Industries Pvt.Ltd., Biratnagar-9, Goswara Road-18		021-527080,	Production of herbal incense (<i>dhoop</i> and <i>agarbatti</i>) Bark of <i>pawan</i> , <i>kaulo</i> , <i>jatamansii</i> , <i>sugandhawal</i> , and <i>sugandha kopila</i>
27	Radha Dhital, Shree Dhar Subedi, Rana Bahadur Bishwokarma, Lal Bahadur Rana, and Damodar Sharma	Bans Hastakala Samagri Yewom Jadibuti Bikri Bitaran Kendra/Samudayik Ban Upavokta Mahasangh (FECOFUN)Koholpur-3, Banke, Khalanga, Pyuthan/Jadibuti Pravardan Kendra, Pyuthan	Producers	081-540453 (o), 081-540312@, 081-520005	Income generation through NTFPs <i>Taru bans</i> , <i>allo dhago</i> , <i>satawari</i> , and <i>kalmedh</i>
28	Sarmila Chaudhary and Devaki Chaudhary	Nari Bahu udesiya Sahakari Sanstha Pvt.Ltd., Kusaha VDC-9, Saptari/BDS-MAPs, Saptari, Nepal		033-560441	Income generation and employment opportunities <i>Bans</i> , <i>chhita</i> , and <i>jiket</i>
29	Tilawoti	Bheri Krisi Utpadan tatha Prasodhan Sansa, Surkhet, Ramghat -5			Processing ginger, <i>lokta</i> , and spices
30	Prem Tiwari	Gorkha Ayurved Company P. Ltd.		01-42322218, 4216505	Herbal medicines <i>Guduichi</i> , <i>silajit</i> , <i>sswagandha</i> , <i>amala</i> , <i>harro</i> , <i>barro</i> , and <i>sarpagandha</i>
31	Sachin Bhatta	National Management and Commercial Services		091-520639, 521808	Consolidation of farmer sand NGOs Honey, citronella eucalyptus, peppermint, <i>kadi patta</i> , and <i>mertha arvansis</i> oils, <i>mentha</i> , lemongrass, <i>jatamasi</i> , <i>tejpat</i> , <i>kaulo</i> , <i>bojho</i> , <i>pipla</i> , and <i>betphal</i>
32	Sudip Kumar Rimal	Kalikasthan, Dillibazar, Kathmandu		01-4412407	Producer of herbal medicine
33	Narayan Bahadur Pandey	Om Spices Industry Jumri, Pyuthan		Jumri, Pyuthan	<i>Dalchini</i> , <i>alainchi</i> , <i>kaulo</i> , <i>timur</i> , ginger, and tumeric
34	Dipbahadur Lama	Mana Forest Nursery, Gularia -7, Sangamchok, Bardiya		084-420261	<i>Bet</i> , <i>balamkhira</i> , <i>ashwogandha</i> , <i>sarpagandha</i> , <i>satawori</i> , <i>gunabhar</i> , <i>rudrakshy</i> , <i>kaulo</i> , <i>arjun</i> , <i>kaitha amala</i> , <i>sal</i> , <i>katahar</i> , <i>stibia</i> , <i>ghyukumari</i> , <i>seto musli</i> , <i>kalo musli</i> , <i>nisodh</i> , <i>marich</i> , <i>harro</i> , <i>barro</i> , <i>rittha</i> , <i>bojho</i> , <i>bhyakur</i> , <i>sugandha kopila</i> , and <i>tejpat</i>
35	Bhupendra Singh	Swaraj Harbal Plant Pvt. Ltd., Faizabad Road, Barabanki, V.P., India	Director	91-5248-222792, 9415048792	
36	Indra Prasad Bhusal	Subhayatra Sahakari Sanstha Ltd.			Ginger, <i>rudrakshya</i> , <i>Gujao</i> , <i>dalchini</i> , <i>tejpat</i> , spices, herbal tea, turmeric, and chilli

Annex 3

August 2005 Assessment of Services Required for the Promotion of Lokta Paper Business in Project District

Annex 3: August 2005 Assessment of Services Required for the Promotion of Lokta Paper Business in Project District

Service required	Major constraints observed	Potential local service providers	Supporting organisations	So what?	Proposed intervention	Proposed timing of intervention
Technical knowledge: identification, harvesting skills, inclusion of business in OP,	Most collectors do have minimum knowledge about lokta production and lokta paper production	Local resource persons trained in lokta, local lokta collectors	DFOs, Resource persons, Hand made paper association	Provide knowledge to local collectors and CFUGs executive members	Training for collectors & lokta paper producers	December 2005 to January 2006
Technical knowledge: Domestication of mistumata, lokta cleaning and grading, preparing lokta pulp, paper making	CFUGs do not have skills of lokta paper production	Local resource persons, private entrepreneurs of near by area	DFOs, Resource persons, Hand made paper association, Small business and cottage industry office	Provide linkages between service providers and CFUGs	Observation visits & training	Dec 2005
Continuous supply of Raw material (lokta)	Challenges in continuous supply of lokta in an adequate volume; the traders from outside is trying to develop a false market	CFUG, local lokta collectors	CFUG network	Motivate local collectors to sale lokta to CFUG lokta paper enterprise	Interactions, motivate local collectors to buy share of the enterprise	Dec 2005
Other material and equipments: Beater machine, wooden frame, chemicals	Lack of skill in wooden frame preparation, beater machine operation	local carpenters, local resource persons	Shakya Engineering Works, Bhaktapur, other suppliers in KTM for chemicals	Aware them about the situation	training & orientation	Dec 2005
Different options of business operation especially	Lack of running capital to operate business, Lack of ownership in CFUG managed business	local resource persons of CFUG networks	NACRMLP, DFO range posts	Orient them about plus and minus points of business management options and develop a mechanism of CFUG, private partnership modality	Orientations & motivate private sector to invest and lead the enterprise	Dec 2005-Feb 2006
Provision of information about marketing, including potential buyers, market prices, government rules and regulations	CFUGs are not aware of different aspect of marketing aspects	local resource persons, local entrepreneurs of near by area	SBCIOs, HAN, local traders, DFCC subcommittees, CCI, SBCIO	Develop a mechanism to ensure a flow of information from CFUGs to markets and back and provide access to marketing information	Interaction between CFUGs, buyers and service providers to develop a mechanism; observation visits; interaction between CFUGs and traders	Feb 2006

Service required	Major constraints observed	Potential local service providers	Supporting organisations	So what?	Proposed intervention	Proposed timing of intervention
Marketing linkages	Linkages between buyers and CFUGs, CFUG networks, and local entrepreneurs are inadequate	CFUG networks, private entrepreneurs	DFOs, CCI, DFCC sub committees, HAN, FECOFUN, buyers,	Provide marketing linkages to CFUGs, local traders, CFUGs networks for the sale of lokta paper	Market interaction programme; networking	February 2006
Post-harvest handling skills, <i>(storage, packaging and quality control)</i>	Inadequate knowledge of post-harvest handling of lokta papers	Local resource persons trained in lokta paper, private entrepreneurs	Rijal paper works, Bhaktapur; HPPCL; Dabur Nepal	Provide knowledge about post-harvest NTFP activities	Orientation and training in Dhungkhark and Dandapakhar	December 2005 to January 2006
Legal advisory service	CFUGs know little about the legal aspects of lokta business	Local resource persons, key informants, local traders	DFOs, District FECOFUN, SBCIO, HAN	Provide knowledge to CFUGs, CFUG network, and local traders about legal provisions related to NTFPs	Orientation, training, and interactions	As and when required during different training session and visits

Annex 4

Names of Persons and CFUGs Contacted

Annex 4: Names of Persons and CFUGs Contacted

Janagal Cluster

Hile Jaljale Ka CFUG, Tukucha
Hile Jaljale Kha CFUG, Tukucha
Dhungepkha CFUG, Janagal
Swapnesori CFUG, Janagal
Bang Dhunga CFUG, Janagal

Chautar Cluster

Shree Chhap Deurali CFUG, Shreechhap
Gaurati CFUG, Chautara
Asetar Batase CFUG, Sanaga chowk, Sindhupalchowk
Sansari Danda CFUG, Chautara

Dhungkhark Cluster

Patne Bhanjyan CFUG
Khahare CFUG
Bethanchok
Muldanda CFUG
Kalapani CFUG
Dukulche Abhilchaur CFUG
FECOFUN village unit
NTFP network (Budhakhani)

Dandapakhar Cluster

NTFP network
Bolde CFUG
Kalapani CFUG
Tamche CFUG

Other Persons and Institutions Contacted

Mr. Sant Muni Tamrakar, DFO Kavre
Mr. Kesav Kaji Shrestha, DFO Sindhu
Mr. Purna Palanchowke, CCI Chairman
Mr. Sudip Chapagain, Chief, Small Business and Cottage Industry Office, Sindhu
Mr. Rajendra Shrestha, Staff, Small Business and Cottage Industry Office, Sindhu
Mr. Hom Nath Bhattarai, Chief, Small Business and Cottage Industry Office, Kavre
Mr. Binod Kharel, Staff, Small Business and Cottage Industry Office, Kavre
Mr. Kamal Thapa, Ranger, Danda Pakahar
Mr. Umashankar Jayaswal, Ranger, Chautara
Mr. Shyam Shrestha, secretary, CCI Sindhupalchowk

Private Sector

Mr. Padam Bdr. Shrestha, Proprietor, Bira Furniture, Patan Industrial Estate

Mr. Tashi Lama, Alternative Furniture, Bansbari

Mr. Dipendra Mishra, Pashupati Furniture, Tripureswor

Mr. Uddhav Mainali, Chairman, Sawmill Association Nepal

Mr. Dharma Manandhar, Surya Chandra Furniture, Banepa

Mr. Manik Shakya, Director, AEC

Mr. Pradip Maharjan, BDS Maps

Mr. Mitra Lal Shrestha, NTFP Trader

Ms. Jamuna Moktan, Programme Officer, CCI Kavre

Mr. Siddhi Bdr. Joshi, Himal Food Products, Kavre

Mr. Bhola Thapa, Jyoti Kastha Udhyog, Kavre

Mr. Nava Ratan Chindaliya, Sikhar Plywood Industry, Banepa

Mr. Prem Tiwari, Managing Director, Gorkha Ayurved Company Pvt. Ltd.

Mr. Managing Director, Dabur Nepal Company Pvt Limited

Mr. Sunil Shakya, Shakya Engineering Works, Bhaktapur

Mr. Lok Chandra Shrestha, Orchid suppliers, Kopundol

Mr. Sanad Raj Bhandari, Director, Centre for Business Development

Mr. Kanchha Shrestha, Local NTFP Trader, Mude, Sindhu

Mr. Mohan Das Manadhar, ODC

Mr. Rajib Pradhan, Deputy Team Leader, BDS MaPs

Mr. Gokarna Aryal, Instructor, Cooperative Training Centre

Limitations

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The methodology adopted and sources of information used by URS are outlined in this report. URS has made no independent verification of this information beyond the agreed scope of works and URS assumes no responsibility for any inaccuracies or omissions. No indications were found during our investigations that information contained in this report as provided to URS was false.

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