



# PROJECT PROGRESS SHEET

## ENHANCEMENT OF SUSTAINABLE PRODUCTION OF LOKTA HANDMADE PAPER IN NEPAL



**Legend**

- Eligible countries where SWITCH-Asia projects are implemented
  - Eligible Asian countries for the SWITCH-Asia programme
  - Non-eligible Asian countries for the SWITCH-Asia Programme
- Project implementation area
- City
  - Region
  - Country

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.



**BRIEF PROJECT  
DESCRIPTION**

**Overall objectives of project**

The objective of this project is to address social and environmental issues related to the handmade paper sector in Nepal. The activities cover the entire range of stakeholders in the value chain of the lokta sector.

**Specific objectives of project**

- Proper method to extract lokta from forest. (Sustainably)
- Proper method of paper-making. (Environment friendly)
- To minimise waste water pollution. (Environment friendly)
- To increase the market of lokta paper to make the paper sector more sustainable.
- To strengthen the handmade paper association. (Capacity Building)

**Activities include:**

- a) Workshop on preparation of Guidelines and Manual of Lokta Cutter and Paper makers.
- b) Workshop regarding the working modality of the project by HANDPASS.
- c) Workshop on role of the project, HANDPASS and Cooperatives in implementing the activities of the project.
- d) Current design trend of European market
- e) Marketing approach and current situation analysis of Lokta
- f) Efficient input utilisation of SMEs
- g) Current Situation of Lokta and Neplease Handmade Paper
- h) Code of Conduct to Lokta paper entrepreneurs
- i) Current Situation of Lokta enterprise and Future strategies
- j) Participation in the Trade Fairs
- k) Training of Trainers (TOT)
- l) Paper making training (PMT)
- m) Lokta Cutting and Forest Management Training (LCFMT)
- n) Base Line Survey on Household and Micro Units
- o) Meeting with Research Center for Applied Science and Technology (RECAST)
- p) Participation in SWITCH-Asia Networking Meeting
- q) Media mobilization, documentary presentation

**PROJECT PARTNERS**

Nepal Handmade Paper Association (HANDPASS), Nepal;  
German Technical Cooperation (GTZ), Nepal

**PROJECT IMPACT**

The project is making an impact in whole of Nepal.

**PROJECT DURATION**

January 2009 – December 2012

**TARGET GROUPS**

- Small and Medium-sized Enterprises (SMEs) who are the main receivers of improved environmental practices, environmental technology and management; retailers who are the main intermediary between the manufacturing sector and the consumers
- Lokta collectors, paper producers, forest user group members, mainly women in the hills and mountains of Nepal, product manufacturers and exporters including their employees  
Other beneficiaries include local researchers and scientists, consumers and buyers, support service providers and government institutions

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## OUTPUTS TO DECEMBER 2009 TO BE SHARED WITH WIDER AUDIENCE



**L**okta (raw material) collection and paper making is a traditional activity for Nepalese people living at high altitude. After implementation of this project, lokta cutters will have benefitted from different training where they will have learned good harvesting methods, conservation, a blocking system for lokta, and safety measures etc. Likewise, paper producers are well aware about cost minimisation, reducing the consumption of fuel wood, paper drying, and maintaining the quality of the end product. Indeed exporters will also benefit from the establishment of a Nepal Lokta cooperative. This SWITCH-Asia project has helped in different fields and explored the national and international channels to market. Still the project is not

properly flourishing in the international market and has difficulties competing with similar products from other countries. However, it is trying to make some contribution to reduce the price during product development. Consequently, paper producers show their interest to maintain the code of conduct for labour and gender issues. But the project could not have made major achievement without its network with other concerned organisations including governmental who are working in different fields. Likewise we already develop good relations with HANDPASS members, GTZ, the European Commission, and lokta cutters and entrepreneurs – , it will be a major achievement to make a success of this project.

## RESULTS ACHIEVED TO JANUARY 2010

The project has engaged with the target group and routine activities are ongoing, such as:

1. Lokta cutting and forest management training. Altogether 1 195 lokta cutters have benefitted so far;
2. Paper making training. Altogether 727 paper makers have benefitted from the project;
3. Wastage water management. Approximately 30 entrepreneurs have been trained to use waste water to clean up a polluted environment;
4. Marketing approach and current situation analysis of Lokta.





## LESSONS LEARNT SO FAR



**T**his SWITCH-Asia project has faced lot of challenges this year. It has been difficult to implement activities as planned but others have been more successful and yielded good results. The project has continued concerns about the professional manpower required. Some staff resigned reinforcing the project need to find committed and results-oriented people. The project continues to respect the value of human resources in this project.

The project has learned a working approach for use in the high land ecosystems which could

also respect the local society's culture and norms. Project staff are motivated to work closely with government agencies as well as community-based organizations. Without promoting lokta cutters and small entrepreneurs the overall objectives of this project cannot be reached so their promotion is being taken seriously. Indeed this project needs a simultaneous mechanism for product marketing in Europe. We hope that the project can overcome most of the problems and will conclude successfully in November 2011.

## OUTREACH AND SYNERGIES

**T**he project is being implemented in partnership of European Commission and GTZ. On the joint strength of the association and its partner organisations, the project has successfully accomplished its activities for the first year.

GTZ, a local implementing partner, has been playing a facilitator role together with HAND-PASS as described in the the project document. Taking this into account, GTZ's partnership in the action has been a great strength for the association when implementating the project actions. The association had been lobbying for the domestic use of Nepali paper in order to promote local employment and the local product apart from its export. On 9 March 2009, the Govern-

ment decided to use Nepali lokta paper for its citizenship certificates, identity cards, letter pads and other government stationery. The decision has given a fresh lease of life to Nepali lokta paper. It has brought a new ray of hope to the hand-made paper sector and has inspired all stakeholders in the value chain (under the project) enabling business environment throughout the nation. In collaboration with the Department of Plant Resources/Ministry of Forestry and Soil Conservation, the association has been conducting a research programme to develop an alternative method of mass production of lokta through tissue culture since 2005. The project gave continuity to the program incorporating it under its activities.



The Nepalokta Cooperative is engaged in certain project activities and participates, through the project, in international trade fairs to promote the paper. As capacities of most SMEs are limited, large orders for buyers can be tackled easily through the cooperative. Buyers are able to access wide range of products from different SMEs under the one banner of Nepalokta Cooperative.

The association had previously run an Asia-Invest project (Asia Venture Project) on “Promotion of Nepalese Handmade Paper Products in Europe” (Contract No:ASIE/2005/100-093) funded by the European Union and partnered by GTZ.

The objective was to promote the export of the Nepalese handmade paper products into the EU market. The European Commission, the contracting authority, has always been cooperative with the association in the functioning of the project. It has extended its full support and has guided the association during the course of all transitional phases the Association has undergone. It has always stayed in regular touch with the association and extended advice for improving work procedures where possible. The association is, thus, fortunate to have been partnered by the European Union for the current project.