

Hemp Production for Livelihood Security in Dhabang and Mirul VDCs of Rolpa District

PAMS No. SAS-3_02

Proposal

**Joint Areas
of Case Studies:**

East Africa
Horn of Africa
West Africa
South-East Asia
South Asia
Central Asia
Central America
and Caribbean
South America
Switzerland

Research and Advocacy for Social
Transformation (RAST)

JACS - South Asia
August 2009

1 Project Summary

Project title	Hemp Production for Livelihood Security in Dhawang and Mirul VDCs of Rolpa District
Project description	<p>The project intends to improve livelihoods of the people of Dhabang and Mirul Village Development Committees (VDCs) of Rolpa district by introducing improved technology, skill development trainings for cultivating cannabis plant and producing and marketing the final products from hemp (<i>Bhangro</i>), which is currently being produced traditionally.</p> <p>In the project VDCs, altogether 1247 households are dependent on agriculture for their livelihood. It is found that hemp can play a major role in ensuring food security of the people in these VDCs. Currently, the unprocessed fibre is sold to middleman at much cheaper price than the normal price. It is also found that no one has approached them for hemp product development at their place by using the locally available resources, human as well as the natural. Hence, the concept of this project has been forwarded for enhancing the employment situation of the areas for combating food insecurity. Probably, this is the first project of such kind which improves the livelihoods of people by focusing on developing hemp products. For this, the project will train 30 hemp producing farmers (15 from each VDC) to manufacture the final product (handicraft) from hemp, which is the fibre from Cannabis plant. The project is aimed at providing necessary skills to farmers in maximising benefit by manufacturing end products (handicraft) from hemp. The project will be based on the cooperative model to ensure its sustainability and longevity, even after the completion of PAMS duration.</p> <p>A marketing strategy will be designed considering lessons learned from similar projects of GTZ, DFID, SNV, and other I/NGO which have worked on production and marketing of agricultural products and Non Timber Forest Products (NTFPs) implemented in different parts of the country ensuring the project's sustainability. Marketing outlets will be found out with operational arrangement and the linkages between the outlets and the cooperative will be strongly established by the implementing agency (RAST) in the first year, which will be also followed by the cooperative. For this, marketing training will also be provided to the members of the cooperative.</p> <p>Research and Advocacy For Social Transformation (RAST) will implement the project. Village Development Committee (VDC) offices of Mirul and Dhawang, District Development Committee (DDC) of Rolpa will work as the facilitators of the project. The</p>

	<p>Local community, Cooperative and farmers will be the principle beneficiary. Consultants and trainers will be hired for smooth running of the project.</p> <p>Lessons Learnt from diverse projects dealing with marketing support:</p> <p>Rural Urban Partnership Program is a project, which was relatively successful in comparison to other projects to address the problems of marketing the rural agricultural produces to the immediate urban areas. It was successful because of its due consideration of participation of the local people and the market driven approach.</p> <p>Similarly bee keeping projects implemented by ICIMOD in the remote Himalayan region of Nepal has been successful to uplift the status of poor and marginalized people due to the inclusion of local knowledge and local participation in each and every aspect of the project.</p> <p>Nepal German Private Sector Promotion Project funded by GTZ has been running to promote the value chain development of the local produces like tea, hand made paper, carpet, herbs etc. But as it focuses more on the business promotion of these products rather than on the production, the farmers, who should be the beneficiaries, are deprived of the advantages. And their lack of participation limits the effectiveness of the project and the impact of the project questions the long term sustainability.</p> <p>Thus it has been seen by the experiences of these projects that the active participation of the stakeholders is the key to success for any kinds of projects.</p>
<p>Link to NCCR North-South research and JACS strategy</p>	<p>Senior researchers, Ph.D. and Master students under the Kathmandu University and NCCR North-South partnership have been actively engaged in various aspects of livelihood research. This PAMS will contribute in implementing the actions that are recommended in those researches by using and processing the locally and easily available natural resources and by providing new and innovative skills and knowledge for value addition and marketing the produce (hemp). The proposed PAMS will:</p> <ul style="list-style-type: none"> - Secure food security for 120 farmers and 30 trained craftspersons by increasing their affordability for buying food (by increasing income from the project). - Joint participation of the researchers and implementing groups

	<p>to imply the research recommendations practically in the place where it can make difference.</p> <p>- The PAMS will help to identify new research challenges in implementing the livelihood improvement project in a conflict affected and resource scarce area.</p> <p>In accordance with the strategic focus of JACS South Asia¹, and ongoing research project in phase 3 this PAMS attempts to contribute in improving the livelihoods of people by increasing income generation It will also improve the income of farmers and local handicraft producers. It will also assess the effect of income generation by establishing cottage industries in a remote and conflict prone area of Nepal. This project is also in accordance with the government of Nepal’s policy in developing a strategy of “one village one product”. RAST, as a group of NCCR North-South Graduates who have done research in the themes of NCCR North-South, is working in different aspects of livelihood inputs for food security, skill development and livelihood improvement of people.</p>
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¹ One of the strategic focus of JACS South Asia is to contribute in improving livelihood of marginal people by understanding how marginal people can improve their livelihoods in a sustainable manner, how their strategies can contribute to a sustainable development, and how marginal people cope with the present changing situation and how NCCR North-South contributes to government for responsible public policies process.

2 Administrative Details

Country or countries of impact	Nepal														
Duration	Expected starting date: January 2010 Duration: 1 Year														
Reporting	Intermediate: July 2010 Final: February 2011														
Work plan	Activity	Month	January	February	March	April	May	June	July	August	September	October	November	December	
	1. Inception														
	a) Meeting with DDC, VDC for implementing the project.	#													
	b) Awareness Campaign to the local population about the objectives of the project.	#													
	b) Selection of participants for the project from the local communities.	#	#												
	c) Marketing Strategy development considering the lessons learnt from similar project of GTZ, DFID, SNV and other I/NGOs elsewhere in the country.	#	#												
	2. Establish Cooperative and manufacturing facility														
	a) Establishment of 1 manufacturing facility.		#	#											
	b) Establishment of 1 cooperative		#	#	#										
	3. Trainings														
	a) Training to 120 farmers for full phased production of hemp (Cultivation of hemp starts from June and is harvested in October/		#	#											

November).													
b) Skill Development Trainings for using improved technology in dying and making fine quality thread.			#										
c) One Week Crash Course on using the sewing machine.			#										
d) 15 days Knitting Training for 50 people.			#										
e) Training for manufacturing finished hemp products for one month to 30 people eg. hemp cap, purse, Mobile and camera case, Muffler etc.			#										
f) Weaving training for 10 people from the two project VDCs			#										
4. Production and Marketing													
a) Manufacturing products.				#	#	#	#	#	#	#	#	#	#
b) Finding and securing market for the finished Handicrafts.					#	#	#						
c) Marketing the products through the cooperative.					#	#	#	#	#	#	#	#	#
5. Final Assessment													
b) Production of 1 video documentary to know the change in food affordability		#	#								#	#	#
c) Organising 1 national level workshop at the end of the project.													#
d) Preparing 3 newsletters.				#					#				#
e)Preparation of intermediate report							#						
f) final survey													#

Budget	:		
		PAMS share	Total
	a) salaries and consultancy fees;	9,430	9,430
	b) equipment ;	8,588	8588
	c) consumables;	9,882	9,882
	d) travel expenses and daily subsistence allowance;	2,500	2,500
	e) Report production, workshop, documentation	4,825	4,825
	f) RCO Monitoring	1,500	1,500
	f) total	36,725	36,725
		Expenditures effected in:	
Contributions by:	North	South/East	Total
PAMS	-	36,725	36,725
Beneficiaries	-		
Co-funding	-		
Total CHF		36,725	36,725
Memorandum of Understanding (MoU)	YES		

3 Project Details

<p>Context (geographic, social, political, economic, cultural)</p>	<p>Rolpa is characterized by rugged topography, poverty and food insecurity. Inequality, poverty and failure of development projects in the district in the past have been seen as major sources of conflict, which gave birth to the Maoist movement. The district lacks physical infrastructures like road network, water supply, efficient electricity supply, etc. Though the district headquarter is comparatively more developed, rest of the district is still far behind in the development process.</p> <p>Due to its agrarian economy, geographical remoteness and lack of access to market, industrial development is non-existent in the district. Lack of viable alternative income source, migration of productive labour force and decreasing soil fertility have induced growing food insecurity in the district. It is one of the poorest districts in Nepal (ranked 63 out of 75 districts in poverty and deprivation index in 2003). The district lags behind in many aspects of development. For example, it has cooperative density of 10 which is the second lowest in the country and its per capita development budget expenditure is Rs. 538 which is also one of the lowest in the country. And, the female non-agricultural workers' rank of the district is 19.81%. Thus, there is an immediate need of utilizing the locally and easily available resources for creating employment opportunities and withstanding the living standards of the people.</p> <p>In collaboration between KU & NCCR, a number of academic researches have been completed and are still ongoing with the involvement of senior researchers and PhD and Master students in the theme of livelihood. RAST has been established by the NCCR North-South graduates, who have completed their respective researches with the support and in the themes of NCCR North-South in Nepal. The major objective of RAST is to conduct research and to implement the recommendations of the research in action with the belief that the recommendations have the power to bring positive change in societies.</p> <p>RAST as an institution takes into consideration the raw natural resource base in changing societies to an industrial one by utilising them effectively and efficiently. Dependency in natural resources by rural population has been documented in every corner of the globe and their power to change local livelihoods and food security is unchallenged. Especially in the current scenario, where food security has become the most pertaining issue in the proposed project area, the project has a high degree of potentiality in combating with food insecurity and has greater chances of replicating not only in the other parts of the district but also in other districts as well, where hemp cultivation is the traditional occupation of people. As hemp is an ideal resource in Dhawang and Mirul VDCs, its proper use can definitely uplift the economically backward people inhabiting in these VDCs.</p> <p>The project focuses in the most vulnerable parts of society by deliberately selecting and providing training to women and <i>dalits</i> of the VDC, who are</p>
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	landless.
Expected outcome(s)	<ul style="list-style-type: none"> • Food security of people will be ensured by increased affordability through production and marketing of hemp products • Development of skilled manpower by training local farmers on various aspects of hemp production using improved technology and marketing. • Enhanced management ability and skills of hemp producers and manufacturers by initiating cooperative model of development for identifying and supplying to the marketing outlets and keeping records of transactions through cooperative management. • Developed direct market chain between the producers and wholesalers minimising the effect of middle men. • Publishing the best practice through video documentary and periodic publications (newsletter) and dissemination of the results. <p>In the rural settings of Dhawang and Mirul Village Development Committees, the project will utilise the locally and easily available resources by using improved technology. An institution, i.e., cooperative will be established for the development and marketing of the products so as to improve food security in the area, which is frequently hit by food shortages. Hemp is an environment friendly plant and its cultivation also prevents land slide, its all parts have economic value so it can be useful for a society to bring about positive change in creating employment and food security of the people.</p> <p>As the cooperative will be functioned by the savings of the income generated by the farmers and producers of hemp products the planed outcomes are realistic. The savings can be utilized as a loan for other investment in future. The expertise and skills acquired after the training will help the farmers to gain knowledge of quality control, market mechanism and functioning of cooperative. This will also help them in sustaining livelihood. 30 people will be trained in weaving and knitting and their immediate family member's i.e 120 people will be trained in farming methods of in order to make handicraft making their principle occupation and to mould hemp handicraft production to their way of life. Thus, the initial one year will be challenging as well as milestone in order to integrate hemp product crafting to their life.</p>
Outputs	<ul style="list-style-type: none"> • 120 Agriculture dependent farmers will have improved farming technology for Hemp production. • 30 farmers will have gained skills for manufacturing hemp products like, caps, shoes, muffler, purse, mobile cases and camera cases and 50 people

	<p>will be trained on knitting the hemp products.</p> <ul style="list-style-type: none"> • 1 manufacturing facility with 15 sewing machines, 50 knitting instruments and 5 weaving machines will be established. • 1 cooperative with 9 executive members will be established: members include 3 from the farmers and manufacturers, 1 member from each of the project VDCs, 1 from local civil society, 1 from District Development Committee, 1 member from mothers group and 1 member from local Community Forest users group. • 3 major distribution outlets in Kathmandu will be established for marketing of the final products like 5 star Hotels, handicraft shops and exporters. • Marketing chain will be handed over to the local cooperative of the project area. • 3 newsletters and 1 intermediate report, 1 detailed project report documenting the project outcomes will be published. • 1 national workshop will be conducted; • 1 video documentary will be produced.
Activities	<p>1. Inception of the project</p> <ul style="list-style-type: none"> • Meeting with DDC, VDC for implementing the project. • Awareness campaign to the local population about the objectives of the project. • Selection of participants for the project from among the local communities. • Marketing Strategy development considering the lessons learnt from similar projects of GTZ, DFID, SNV and other I/NGOs elsewhere in the country. <p>2. Establishment of Cooperative Manufacturing Facility</p> <ul style="list-style-type: none"> • Establishment of 1 manufacturing facility. • Establishment of 1 cooperative. <p>3. Trainings</p> <ul style="list-style-type: none"> • Training to 120 farmers for full phased production of hemp (Cultivation of hemp starts from June and is harvested in October/ November). • Skill Development Training by using improved technology in dying and making fine quality thread. • One Week Crash Course on using the sewing machine. • 15 days knitting training for 50 people.

	<ul style="list-style-type: none"> • One month training to 30 people in weaving and manufacturing of hemp products like hemp cap, purse, mobile and camera case, muffler etc. • Weaving training for 10 people from the two project VDCs • 1 month basic marketing and accounting training to 5 persons from farmers and weavers groups. <p>4. Manufacturing and marketing of the products</p> <ul style="list-style-type: none"> • Manufacturing of the products. • Finding and securing market for the finished handicrafts. • Marketing the products through the cooperative. <p>5. Final assessment and dissemination</p> <ul style="list-style-type: none"> • Survey among the project participants about the change in income and food affordability gained through it. • Production of 1 video documentary to know the change in food affordability. • Organising 1 national level workshop at the end of the project. • Preparing 3 newsletters, one intermediate report and one final project report.
Obstacles	Political instability observed in the country may affect the timely accomplishment of the project.
Side effects	The project may increase hemp price in the market thus inflating the price of the product.
Mutual learning	<p>The proposed hemp handicraft production and marketing of the hemp products is in that area, where resources are scarce and are conflict driven. Project will integrate various research recommendations in value chain development for marketing the local raw material and bring maximum benefit to the producer and will shift the base of rural livelihood from agriculture to industry.</p> <p>Researchers involved will have a unique opportunity to witness the effect of high value product being exported instead of the low value and unprocessed raw material export. A comprehensive plan to produce quality product, to market it and to improve the food affordability of this food scarce area will be made with input from researchers from NCCR North-South, Partners, District Development Committee and local community.</p>

	<p>For the marketing in particular, the lesson learnt from similar projects of GTZ, DFID, SNV and I/NGOs involved in similar projects elsewhere in the country will be thoroughly reviewed. It will bring researchers and practitioners in one place and generate valuable insight in livelihood research currently being done under NCCR North- South. While the local people will get a valuable chance for implementing an income generating project and capacity building with the help of the researchers and practitioners, the District development committee and the Cooperative. This can further be replicated in other part of district and beyond.</p> <p>RAST will serve not only as an implementing agency but also as a platform of mutual learning by publication of the results on enhanced food security, field visits of the researchers, trainings to the community and the seminar so that good practices could be replicated to the other parts of the district and region.</p>
Knowledge background	<p>Senior researchers, Ph.D. and Masters students under the NCCR collaboration in Nepal are engaged on livelihood researches. Papers, thesis and books are published on resource scarcity and conflict in the various parts of the country. Similarly, off farm activities are increasingly being recommended as the major source of improving livelihood in the rural area.</p> <p>Since the area is resource scarce and poor, it has been a fertile ground for armed conflict in the past and even after the start of the peace process, their fate has not been changed. The identification of hemp as the livelihood change product in the area with its proper and scientific utilisation is bound to make positive impact on the people.</p>
Gender sensitivity	<p>The project will have major role in providing skills to both the genders in the project area. The majority of the males have migrated from the VDCs for employment and safety during the insurgency thus the major portion of the work will be based on the females. The other household members including their in-laws will be encouraged to help females in the household's chores as far as possible and to reduce the workload of the participating women in the project.</p> <p>Each and every activity of the project will be assured for 50% participation of women and thus getting benefit accordingly. It will empower them by bringing the direct benefits in their hands. From the beginning, the project will focus on equal participation of women in cultivating, manufacturing and marketing of the products. It is expected that women will be more interested in weaving and manufacturing of the product while men will be involved in manufacturing and collecting raw material. However, project will not operate on general expectation but on their individual interest. If women like to manufacture and harvest, they will be allowed and trained and vice-versa.</p>
Medium/long-term project	<p>Hemp products are sellable and they have high demand as a souvenir for visiting tourists. Its products are durable and natural and hence occupy a</p>

<p>integration</p>	<p>significant amount of handicraft trade in Nepal. Different survey report shows significant amount of hemp products (raw and final) are exported in western countries (Shrestha, 2001). These materials are highly produced in Rolpa and Rukum.</p> <p>Since uncertainty prevails in marketing of the hemp products, RAST will constantly support the project in providing new skills as required in the future with the support from other funding agencies as well. RAST has begun to search other funding source for this purpose. The local people will also be asked to invest in the project in cash or in kind so as to secure the sustainability of the project. The members of the cooperative will be encouraged to invest for the first time during the establishment of cooperative creating sense of belongingness among the targeted group. The collected fund will be utilised to buy the existing raw hemp. These raw hems will be used as producing the final products for the first phase. The first lot of products are expected to reach the market in mid April/ May. In the first phase the product will be sold to tourists from Airlines, and souvenir shops of Hotels in Kathmandu. Any additional funding will be reported to RCO.</p> <p>Local people will be introduced directly to the market so as to make them able to adapt the new change in market and develop products according to demand of market. The cooperative will be integrated with other cooperatives in Rolpa District and linked to national cooperative movement making it replicable to other parts of the district and out of the district as well. The cooperative will use the part of income to maintain the facility from initial stage. A fund will be made for maintaining the facilities. The project will further be expanded from Dhawang and Mirul Village Development Committees to the other rural Village Development Committees of Rolpa as per the one village one product policy of Nepalese government with the help of Micro Enterprise Development Program, Small and Cottage Industry Department of Government of Nepal and other I/NGOS.</p>
<p>Ownership and responsibility</p>	<p>RAST will have developed the detailed project plan and implementation of the project in Dhawang and Mirul VDCs of Rolpa district. However HNRSC, KU, Regional Coordination Office of South Asia, District Development Committee Rolpa, Village Development committees of Dhawang and Mirul will help RAST in implementing the project. RAST will also seek support from other local and national institutions as per the need to make the project successful. The funding will be secured from local District Development Committee, Village Development committee , I/ NGOs as well as support from local people in cash or in kind. The Community Forest User Groups of the project areas will be approached to contribute timber.</p>

4 Actors Involved

Regional Coordinator (RC)	<p>Dr. Bishnu Raj Upreti Regional Coordinator JACS South Asia Coordination Office NCCR North-South GPO BOX: 910 Kathmandu Email: bupreti_nccr@wlink.com.np</p>
Head of concerned IP	<p>Prof. Dr. Ulrike Mueller Boeker Head WP2 Human Geography University of Zurich Winterthurerstr.190, CH-8057, Zurich</p>
Research Project (RP) concerned	<p>Livelihood futures in resource scarce areas Babar Shahbaz, Asst Prof. JACS SAS Babar.shahbaz@gmail.com Sustainable Development Foundation(SDF)/ Sustainable Development Policy Institute (SDPI), Islamabad. Dr. Sagar Raj Sharma JACS SAS Head, Human and Natural Resources Studies Centre (HNRSC), Kathmandu University, Nepal Sagar@ku.edu.np</p>
Responsible researcher of the NCCR North-South	<p>Senior Researcher and Principal Resource Person Dr. Sagar Raj Sharma Head, Human and Natural Resources Studies Centre (HNRSC), Kathmandu University, Nepal</p>
Other researchers involved	<p>Other researchers from Nepal Research Group as several researchers from Nepal research have acquired expertise in livelihood research.</p>

Executing agency (agencies)	<p>Research and Advocacy for Social Transformation (RAST) Manmohan Marg, Dhumbarahi, Kathmandu-4 P.O. Box No.: 19242 Email: rastnepal@gmail.com, rast.2065@gmail.com Contact Person: +977 1 4370949 (Surya Raj Joshi, Secretary RAST)</p>
Stakeholder involvement in PAMS project	<ul style="list-style-type: none"> • Local cooperatives • District Development Committee (DDC), Rolpa • Offices of the Village Development Committee of Dhawang and Mirul • Micro Enterprise Development Program (MEDP) • Small and Cottage Industry Department of Government of Nepal. <p>DDC and VDCs will help to implement the project in the Dhawang and Mirul VDCs of Rolpa district. While MEDP and Small and Cottage Industry Department will provide technical support for the production and marketing of the Hemp Products.</p>
Beneficiaries	<p>The principal beneficiary of the project are the farmers , weavers, knitters in the Dhawang and Mirul VDCs of Rolpa District and the members of the cooperative who will be benefited through acquiring new technology and skills, increased income and improved food affordability through value addition of the locally and easily available resource - Hemp. Similarly, District Development Committee of Rolpa will also benefit by gaining important knowledge on the utilisation and commercialisation of the local produce. The sellers and consumers of hemp products will get the hemp products in cheaper price as labour cost in Rolpa is cheaper than in Kathmandu.</p> <p>Government of Nepal will also be one of the beneficiaries as the effect of food scarcity in the VDCs are minimised by increasing the capacity of affordability of the local people Researchers will be benefited through an opportunity to assess impact of the project in food security and the effect of industrialization of the local product, and value addition by manufacturing end products.</p>
Place and date	<p>Research and Advocacy for Social Transformation (RAST) Kathmandu, Nepal</p>

	15th September 2009
Annexes	<ol style="list-style-type: none"> 1. Letter of approval from District Development Committee, Rolpa. 2. Competence statement of the executing agency. 3. Detailed Budget Sheet. 4. Translated version of Letter of Approval from DDC office, Rolpa

Shrestha, D. (2001). *Market Study of Allo and Hemp*. Micro Enterprise and Development Program (MEDEP). Kathmandu, Nepal.